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M E A N S O F E X C I T I N G A S P I R I T O F
N A T I O N A L I N D U S T R Y ;
C H I E F L Y I N T E N D E D T O P R O M O T E T H E
A G R I C U L T U R E , C O M M E R C E ,
M A N U F A C T U R E S , A N D F I S H E R I E S ,
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I N A S E R I E S O F L E T T E R S T O A F R I E N D .
W R I T T E N I N T H E Y E A R O N E T H O U S A N D S E V E N H U N D R E D A N D
S E V E N T Y - F I V E .

B Y
J A M E S A N D E R S O N ,
A U T H O R O F T H E E S S A Y S R E L A T I N G T O A G R I C U L T U R E A N D R U R A L A F F A I R S .

Resolve, resolve, and to be men aspire.....
Let godlike Reason, from her sovereign throne,
Speak the commanding word I WILL, and it is done.
THOMSON.

É D I N B U R G H :
P R I N T E D F O R T . C A D E L L , L O N D O N ; A N D C . E L L I O T , E D I N B U R G H .
M D C C L X X V I I .

P O S T S C R I P T

T O

LETTER THIRTEENTH.

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C O N T E N T S.

An examination of the objections brought by Dr Smith against the bounty on exportation of corn in England.—The bounty does not, as he alledges, raise the price of corn higher than it naturally would be both in years of plenty and in years of scarcity;—it only prevents it from falling immoderately low in the one case, or rising excessively high in the other case.—The bounty is attended with no peculiar advantage to the merchant importer and exporter of corn.—It does not encrease their business.—The importation is not augmented by an encrease of exportation, but directly the reverse.—Illustrated by examples.—It does not prevent the surplus of one year from relieving the deficiency of another; but, on the contrary, it is the only practicable means of making the great plenty of ordinary crops effectually supply the deficiency of one that is unusually scanty.—It has a natural tendency to moderate the price of grain upon the whole,—and to keep the market much more steady than it naturally would be.—The bounty operates in the same way as an insurance-premium in any other hazardous trade.—Beneficial effects that result from this arrangement.—Hints tending to render the corn-laws still more perfect, and more beneficial to the country.—The above reasoning corroborated by facts.—Other objections examined.—The parallel drawn by Dr Smith between the influences of the English corn-laws and the laws of Spain and Portugal, with regard to the precious metals, does not apply.—Difference between the commerce of grain, and that of almost every other article.—Other objections considered.—The bounty really tends to encourage the production of corn, and is truly a bounty on production.—It does not serve to bolster up an unprofitable commerce,—but to regulate a commerce that never can be stopt, without producing the most fatal consequences.—The bounty in fact costs the nation nothing,—but, on the contrary, tends to enrich it in the most essential manner.—Other positions examined.—Corn is not, strictly speaking, the commodity that regulates the price of all others.—Illustrated by various examples.—The price of corn itself is regulated in many cases by that of manufactures.—The real price of corn may be altered as well as that of every other commodity.—Facts directly contradict the whole of Dr Smith's reasoning on this head.—General conclusion.—The bounty on corn is perhaps the wisest political institution that has graced the annals of any country.—Proposal for amending the corn-laws with regard to Scotland.

P O S T S C R I P T

T O

LETTER THIRTEENTH.

On the nature and influence of the BOUNTY ON
CORN, and the other CORN-LAWS of Great Bri-
tain.

SInce writing the above, I have seen the very ingenious treatise of Dr Adam Smith on the nature and causes of the wealth of nations; and am sorry to find, that I have the misfortune to differ in opinion from an author of such extensive knowledge, and liberal sentiments, on a subject of so much real importance as that which is here treated of. And as it may be supposed that the opinion of
such

such a respectable author will have great weight on the generality of mankind, it is of much importance to examine, whether that opinion has been adopted in consequence of just reasoning, or the reverse: for the wisest of mankind may be at times misled. Let this be my excuse for here endeavouring to investigate this subject with a more than ordinary degree of precision.

The reader will easily perceive, that the applause I have bestowed above on the general system of corn-laws in England, is founded entirely on the supposition that they are peculiarly calculated to prevent the fluctuation of the price of grain: — An object that will be allowed to be of the highest importance to the well-being of almost every individual of the state. This object seems, however, to have been entirely overlooked by Dr Smith, who considers the bounty on corn only as a contrivance calculated to enhance the price of grain, and thus to give an exorbitant profit to the farmer and corn-merchant: — Considerations which, if ever they influenced the legislature, it must be acknowledged, were little deserving their favourable notice, and which were entirely disregarded by me. This may in some measure account for our differing in opinion. But as it appears to me that Dr Smith's reasoning on this subject is not so strictly accurate as what we usually meet with in that valuable performance, I find it necessary to examine some of these passages with particular attention; and hope, that while I mean to proceed with that candid impartiality which becomes one who is in search of truth, I shall no where forget myself so far, as to lose the deference justly due to one of such a respectable character.

“ In years of plenty,” says he, “ it has been already observed,
“ the bounty by occasioning an extraordinary exportation, ne-
“ cessarily

“ necessarily keeps up the price of corn in the home market above
 “ what it would naturally fall to. To do so, was the avowed
 “ purpose of the institution. In years of scarcity, though the
 “ bounty is frequently suspended, yet the great exportation
 “ which it occasions in years of plenty, must frequently hinder
 “ more or less *the plenty of one year from relieving the scarcity of an-*
 “ *other.* Both in years of plenty and in years of scarcity, there-
 “ fore, the bounty necessarily tends to raise the money-price of
 “ corn somewhat higher than it otherwise would be in the home
 “ market *.”——The hurtful effects of which general rise of
 price, supposing it real, he afterwards points out at great length.

That the bounty has a necessary tendency to raise the price of grain, not only *somewhat*, but *a great deal*, higher than it naturally would be, in years of plenty, in the home market, will not be denied; but it has been already showed in the preceding letter, that this circumstance is attended with the most beneficial consequences; not to the farmer only, but to the state in general, and to almost every individual in it.——This circumstance, therefore, cannot be considered as disadvantageous.

If it tended, however, to raise the price of grain also in years of scarcity, it would indeed be a destructive institution, and ought to be immediately abolished: but that it tends as much to *lower* the price of grain in times of scarcity, as to *raise* it in times of plenty, will, I hope, appear from the following considerations.

If the bounty were withdrawn, it would of necessity follow,

* Inquiry into the nature and causes of the wealth of nations, vol. 2. p. 96.

that in years of plenty, the market being overstocked, prices would naturally fall ; — not in exact proportion to the amount of the surplus quantity, but a great deal below it. For where there are many sellers and few buyers, it is well known, that in all cases, but more especially with regard to those goods that are of a perishable nature, as grain, the price will fall extremely below the ordinary rate.

When this should happen,— not to mention the general stagnation to the industry of the whole nation that would ensue, the farmer in particular would find himself thrown into the most disagreeable embarrassment. A part of his corn would remain on hand ; and the low price he would receive for what he could sell, would be so far from replacing to him the whole of his outlay, with the ordinary profits of stock *, that he would find himself unable to prosecute his ordinary employment with profit.

Let us, however, suppose, that he should be able, tho' with difficulty, to bear this shock, and that he should labour his ground for the ensuing crop with the same spirit as usual. If that year should also turn out to be a year of plenty, the savings of his former crop, together with the surplus produce of this crop, added to the necessity the farmer would be under to sell *at any rate*, would now reduce the price so very low, that he would be involved in still greater and more inevitable distress. His stock, instead of being profitably employed for producing more grain, and putting in motion a greater quantity of national industry,

* I here, and through the whole of this Postscript, adopt the general terms employed by Dr Smith, as I think they apply with peculiar propriety to the subject treated of.

would be locked up in attempting to preserve a perishable commodity, which no care nor expence could possibly preserve for any considerable length of time. And no man knows better than Dr Smith, what are the inconveniencies that result from thus locking up the productive stock of any community.

It does not, however, import our present argument, to point out these inconveniencies with a scrupulous minuteness. It is sufficient for our purpose here to observe, that in a few years of moderate abundance, the farmers in these circumstances would find themselves unable to follow their employment with profit, and would therefore be obliged, either to abandon it, or by a less-spirited culture to raise less grain, so as to enhance the price. Less corn, in either of these cases, would inevitably be produced; and thus the farmer, by insuring a scanty crop, would secure to himself a certain market, and a good price.

In consequence of this necessary system of conduct, scanty crops would no doubt be produced, even in favourable seasons; — but if, along with this artificial scarcity, it should so happen, that the seasons were also unfavourable, the deficiency would be so very great, that the small surplus savings of former years, diminished by the innumerable accidents to which these must ever be exposed, would afford but a very trifling supply, and would be very far from making up for the double deficiency that would arise from an unfavourable season and imperfect cultivation: and if we had already occasion to remark, that the price of grain was unreasonably lowered when a small proportion of it remained unsold, it will readily occur to every reader, that the price will be still more exorbitantly raised when the quantity of grain shall thus fall a little short of the demand there is for it.

R r

And

And if a second year of scarcity should succeed the first, as there would then be no surplus savings, the price would, if possible, be raised still higher, and the people be involved in greater distress.

If it should be alledged, that an unlimited freedom of importation and exportation of grain at all times, would in some measure alleviate these evils, by taking from the farmer his surplus produce in years of plenty, and by supplying the deficiencies of a scanty crop by an importation from other countries in years of scarcity, I readily allow, that it would produce these beneficial consequences *in some measure*, although in a much less perfect degree than would naturally result from a well-regulated bounty on grain. But if Dr Smith means to insinuate, that this unlimited freedom in the commerce of grain should be substituted instead of the bounty, and would be attended with those beneficial consequences he enumerates, it would seem that he has been guilty of a small inaccuracy of reasoning on this occasion, that deserves to be pointed out, as he recurs to it in several other parts of his book.

If a free commerce of corn should alleviate the distress of the farmer, by taking from him in years of plenty his surplus produce, and carrying it away to other places where it might be more needed at the time, it must follow, that, in this case, *the savings of former years of plenty*, being thus carried out of the country, could no more tend *to moderate the price in times of scarcity*, than if that superfluous produce had been carried away in consequence of the bounty; so that Dr Smith must either give up with the free commerce of grain, or strike off *the savings of former years* from his list of advantages which the country is deprived

ved of only by the bounty, seeing it would be equally deprived of it by his favourite system of a free commerce: and setting aside this article of the savings of former years, (an article besides in every possible state of things more imaginary than real), I presume it will be impossible to show, in what manner the bounty can have a tendency to raise the price of grain in years of scarcity. Considered, therefore, merely in this view, of its tending to keep the market-price of grain more steady than it otherwise would be, the bounty would seem to be highly beneficial to the state. — That this, however, is but *one* of the *many* benefits it procures, I shall have occasion to show in answering the following heavy charge brought by Dr Smith against the corn-laws and corn-merchants of England.

“ There is not” says he, “ perhaps but one set of men
 “ in the whole commonwealth, to whom the bounty either
 “ was or could be really serviceable. These were the corn-mer-
 “ chants, the exporters and importers of corn. In years of plen-
 “ ty, the bounty necessarily occasions a greater exportation than
 “ would otherwise have taken place; and by hindering *the plen-*
 “ *ty of one year* from relieving *the scarcity of another*, it occasion-
 “ ed in years of scarcity a greater importation than otherwise
 “ would have been necessary. It increased the business of the
 “ corn-merchant in both; and in years of scarcity it not only en-
 “ abled him to import a greater quantity, but to sell it at a bet-
 “ ter price, and consequently with a greater profit, than he other-
 “ wise could have made, *if the plenty of one year* had not been
 “ more or less hindered from relieving *the scarcity of another*. It
 “ is in this set of men accordingly that I have observed the great-
 “ est zeal for the continuance or renewal of the bounty.” Vol. 2.
 p. 99.

Nothing can be more unjust and fallacious than the reasoning in this passage; and it rests on principles so diametrically opposite to those by which our author is usually guided, as can hardly fail to excite some degree of astonishment in the mind of the attentive reader: yet so firmly have these heterogeneous ideas taken possession of his mind, that he repeats the same sentiments again and again in various places of his book, and dwells upon them as if they were fundamental axioms of the highest importance, which could not be controverted. It becomes necessary in these circumstances to expose their fallacy.

No one who has read Dr Smith's performance can ever suppose he means to insinuate, that the exportation and importation of corn should be always prohibited; I shall therefore omit taking any notice of the consequences that would result from that arrangement.

But if exportation of corn is allowed of in years of plenty, and importation is not prohibited in years of scarcity, the corn-merchants would have at least *as much* business without the bounty as with it, and it would be in their power to have *much higher* profits: for if, in years of plenty, the quantity of grain should be more than sufficient to supply the home market, the price, it is evident, would sink so low as to enable the merchant to have a profit on exporting it, as well as at present. The exportation, I am indeed sensible, would in this case be soon very much diminished;—but neither the employment nor the profits of the merchant would be diminished by that circumstance. For

Nothing can be more certain, (and Dr Smith will readily allow it), than that the quantity of grain raised in any country, will
always

always be exactly proportioned to the ordinary and steady demand for it. When the quantity of grain produced shall exceed that ordinary demand, the farmer, finding no vent for it, will be obliged to abandon that unprofitable trade, and betake himself to some other, in which he can get more certain returns. If, on the contrary, the quantity produced should fall short of that demand, the price of grain would be raised so much by that circumstance, as to encrease the farmer's profit beyond that of other trades; which would tempt so many to go to that business, as would by their competition with one another soon reduce the profits on agriculture to the same general medium of profit as in other trades.

Now, if the farmers in Great Britain had only a demand for as much grain as the inhabitants of this island alone could annually consume, they would raise no more than was just sufficient for that purpose *in ordinary years*. But if, besides that, there were a certain and steady demand for a considerable quantity for exportation, *that* quantity also would be raised in ordinary years. But if the bounty were discontinued, there would be no certain and steady demand for exportation, so that no more grain would be reared in Britain in a year of scarcity, than would have been barely sufficient to have supported the inhabitants if it had been an ordinary crop; in which case the deficiency of that scanty crop would fall to be made up by an importation from other countries. In these circumstances, therefore, the corn-merchant would have abundant employment *in years of scarcity*; and as the inhabitants would be under the necessity of depending entirely upon him for their subsistence, he would have a better opportunity of enhancing the price, and of *grinding the faces* of the poor, than he can have according to the present system, as will by and by more clearly appear. For,

On

On the other hand,—while the farmers continue to be employed in rearing corn for exportation, as well as for the home market, in a year of scarcity, the quantity that was destined for exportation, comes to be naturally applied to make up the deficiency of that part of the crop which was originally destined for the home market; so that, instead of being obliged to import the whole of that deficiency from abroad, which otherwise must of necessity have been done, the inhabitants are supplied chiefly, perhaps entirely, with their own home produce; and are thus saved the whole amount of the price of freight, insurance, and merchants profits:—A saving of no trifling moment to them. And as the home market would be thus more abundantly supplied than it otherwise would have been, the inhabitants do not lie so much at the mercy of the corn-merchants, who are thus deprived of the possibility of demanding or of obtaining such extravagant profits as they otherwise could have easily exacted.

If, therefore, in the present system, the corn-merchants do really *export* more than they otherwise would do, they *import* less; so that they have nearly the same *quantum* of employment in the one case as in the other: but with this very important difference, that their profits are paid with infinitely greater ease to the subject, and benefit to the state, by the help of the bounty, than they could have been without it.

So far is the extraordinary exportation that may be occasioned by the bounty in years of plenty, from occasioning an extraordinary importation in years of scarcity, according to Dr Smith's hypothesis, that it produces an effect directly the reverse. For it will appear that the greater the quantity that is exported in years of plenty,

plenty, the quantity imported in years of scarcity will necessarily be small in proportion to it.

An example will make this plain to the meanest capacity.

Let us suppose, that the greatest variation, in the total amount of the crop between a year of the greatest plenty and one of the greatest scarcity, amounts to one fourth of the whole crop.

Let us again suppose, that the ordinary and constant export, did, in years of medium plenty, amount to one eighth of the whole produce, the farmer would in this case be in the constant practice of rearing one eighth more grain than supplied the inhabitants *in ordinary years*; so that when the crop, through the unfavourableness of the seasons, fell short of its ordinary quantity one eighth part, there would still be enough in the country to supply the internal demand; as the eighth part of it that was destined for exportation would exactly supply the deficiency. No importation, therefore, would be needed in this case.

But if the ordinary demand for exportation should have amounted to no more than one sixteenth; although, in the case above supposed, this sixteenth part which was allotted for exportation should be kept at home, there would still remain a deficiency of another sixteenth; to make up for which deficiency, recourse must be had to importation. Nor will it be possible to obtain it from abroad till the price in the home market shall rise to such a rate as to pay for freight, insurance, and merchants profits, to enable them to bring it from foreign countries.—It is plain, however, that if the deficiency of the crop had in this case amounted to no more than one sixteenth of the medium years, there

there would have been no occasion for any importation ; so that, according to this arrangement also, it would be but seldom that corn could be imported, and then in small quantities only.

But if, instead of one eighth, or one sixteenth, the usual quantity exported should have amounted to one fourth of the whole crop in ordinary years, it would follow, that in the greatest scarcity that could ever happen from bad seasons, there would still remain one eighth for exportation after the deficiency occasioned by the bad crop was fully supplied. According to this arrangement, the inhabitants would enjoy an universal abundance in spite of the greatest variation of seasons : nor could their markets ever experience any fluctuations of price but those that should depend on foreign markets ; which might be easily so regulated by the bounty as to be scarce ever felt.

So far, therefore, is an extraordinary exportation in years of plenty from giving the merchant importers extraordinary employment in years of scarcity, that if our ordinary exports were sufficiently abundant, they would annihilate entirely the business of the merchant importer : and the importation in years of scarcity must always be diminished exactly in the same proportion as the ordinary quantity of corn exported in years of plenty shall increase.

It is equally true, that so far is the exportation occasioned by the bounty from hindering the plenty of one year from relieving the scarcity of another, as Dr Smith supposes, that it is perhaps the only method that can be devised for effecting that purpose with any degree of laudable œconomy.

As to the supposition that farmers would ever be induced to rear more grain than was necessary for supplying the demand in years of tolerable plenty, and that they should make a constant practice of retaining the surplus quantity in their own possession till a year of scarcity should come, I frankly own, that the idea of it appears to me so extravagantly absurd, when examined even with a slight degree of attention, that I should suspect I did not understand Dr Smith's meaning in the passages above quoted, and many others where he mentions the *surplus of one crop relieving the deficiencies of another*; yet if it is not this he means, I own myself at a loss to know what it is. If I am thus induced to give answers to an opinion that he never meant to maintain, I hope he will not attribute it to any desire of misrepresenting his arguments, but purely to misconception. It would have been well if he had expressed himself a little more clearly on this head. A few observations will suffice to shew the impracticability of such a plan as that above alluded to.

Were a year of plenty to be succeeded immediately by a year of scarcity, and were that scarcity to be foreseen beforehand, like that which happened to Joseph in Egypt, such a thing as this might sometimes be done. But should seven years of plenty be succeeded by seven years of scarcity, can any one imagine, that the surplus produce of the plentiful years would be accumulated to supply a scarcity that might never perhaps be experienced? The history of Joseph's dearth gives a sufficient answer to the question.—No: — the farmer has not granaries to preserve his grain,— he has not stock to carry on his ordinary operations without regular annual returns: — and Dr Smith himself will tell us, that he would not have power to protect it from the mob, in a country like ours, were he possessed of every other convenience.

ence. Even if the internal dealer in corn should come, like Joseph, to the farmer's assistance, the immense accumulation of stock that would here be locked up, would deaden the general industry of the nation exceedingly, as all that stock must be withdrawn from some other productive employment.—The waste that would be sustained by attempting to preserve such a perishable commodity, and the risk the merchant would run of fire, of mobs, and of other disasters, would necessarily raise the price so much as could afford the merchant no sort of reasonable profit but in years of absolute famine, like that which heretofore enslaved Egypt. In short, let us view this undertaking in every possible light, and we shall find it so closely environed with difficulties on every side, as to show that it is altogether impracticable. Impracticable, however, as it is, it has been often attempted to be realised; and there are not wanting many instances of rich misers in every corner of the country, who have endeavoured to augment their stores, by refusing to sell their grain in ordinary years, and attempting to keep it till times of scarcity: but they have suffered so much for their temerity, as clearly demonstrates that such a plan can hardly be followed in any case with safety, far less with profit; and sufficiently authorises the wisdom of the general maxim, *That the farmer's best profit is the first*; and that it is always wise in him to take the current price of the year, however low that price may be. A prudent man, therefore, will have no savings of consequence, even in the most plentiful year: — a fool, if he attempts it, will not have them long. —

But, in consequence of the great exportation occasioned by the bounty, it has been showed, that a great surplus may be reared in plentiful years; which, instead of being preserved a dead and decaying stock, is immediately sent abroad. And in years of
scarcity,

scarcity, the quantity which has been raised for succeeding that which was sent abroad, by being directly applied to the use of the inhabitants, supplies, with the most judicious œconomy, the deficiency of the home market. In this manner the farmer, by never finding that he can have too great a surplus produce in years of plenty, exerts himself as much as he can to raise more ; and in this manner, and in this alone, can the surplus produce of a plentiful crop be made instrumental with the strictest œconomy in diminishing the deficiency of one that is more scanty. If this method had been adopted in Egypt, the *people* might have been all abundantly fed, and still have retained their freedom during the seven years of famine, instead of becoming slaves to the cruel policy of Joseph.

Thus it appears, that Dr Smith's reasoning, as to the particulars here investigated, is entirely fallacious ; and that the conclusions he draws from every position, are not only erroneous, but even directly the reverse of what they ought to have been. I would therefore apply to the merchant importer and exporter of grain, the observations he makes upon the importance of the internal corn-merchant, as they are equally applicable to both : For in this enlarged sense I perfectly agree with him in thinking, that " after
" the business of the farmer, that of the corn-merchant is in
" reality the trade, which, if properly protected and encouraged,
" would contribute the most to the raising of corn. It would
" support the trade of the farmer in the same manner as the
" trade of the wholesale dealer supports the manufacturer." After what has been said, it is unnecessary to add, that he has been induced to make a distinction between these two classes of corn-merchants in consequence of pursuing a train of fallacious argumentation.

It is not, therefore, because the bounty upon corn has a tendency to encrease the price of grain, and thus apparently to enrich the proprietor and farmer, or because it encreases the business and profits of the merchant exporter and importer of corn, that I have bestowed such praises upon this system of legislation. No political system that should aim at giving one class of citizens an undue preference to other classes, could be justly entitled to any degree of praise from a well-informed member of the state. But it is because that at the same time that it has a natural tendency to moderate the price of grain upon the whole, it affords a constant market to the farmer, (which is the surest way of promoting alike the interests of agriculture and of national industry); but more especially, because it tends in the most direct manner to prevent the price of grain from ever rising to an extravagant rate, or falling to an unreasonable abasement, which I consider as a benefit of the highest and most general importance; as it more effectually promotes the general industry of all ranks of people, and thus augments the vigour and internal felicity of the state, than any other circumstance that could be named.

And that the bounty has a natural tendency to produce all these salutary effects, in a higher degree than would be produced by an unlimited freedom as to the commerce of grain; and, in particular, that it necessarily moderates the price of grain in years of scarcity, instead of raising it higher than it otherwise would be, as Dr Smith asserts, will appear to the reader, I hope, very plain, not only from what has been already said, but also from the following parallel between the consequences that would be the result of a free trade in corn, compared with that which is regulated by the bounty.

First,

First, Without the help of the bounty, no corn could ever have been exported till the price fell so low in our own market as to be the whole amount of freight, insurance, commission, and merchants profit, below the then selling price of grain in some foreign market to which it could be carried. In which case it must have been at *least* the whole amount of the bounty below the lowest price it can possibly ever fall to where that is allowed.

Secondly, There never could have been any corn imported till the price in Britain should have exceeded that in some foreign state from whence it could be brought, by the full amount of the freight, insurance, and merchants profits, for transporting it: which articles in time of war, or other disastrous occurrences, must have been on some occasions extremely high. Whereas it has been shewed, that were exportation duly encouraged by a well-regulated bounty, the home market would at all times be abundantly supplied, merely by detaining at home our own surplus produce in years of scarcity; and thus the whole freight and other charges be saved to the consumer; which alone would be an article of very great national advantage. But if it be likewise considered, that in consequence of this plenty at home, the market-price may not perhaps rise *nearly* to that height which would have admitted of importation, the national benefit procured by it will appear to be still more considerable.

Thirdly, Were we thus obliged to depend on foreign markets for a supply to our deficiencies in years of scarcity, instead of relying on our own surplus produce obtained by the aid of the bounty; in times of *general* scarcity in other countries (and such disasters do sometimes occur, from a very general failure of crop) we might be reduced to the greatest distress for want of food, and the

the price of grain be raised to the most extravagant height; as was frequently the case with our forefathers, to the utter ruin of all the poor in the kingdom. But,

Fourthly, We would in this case not only be in danger of suffering from the inclemency of seasons, but would be obliged to rely in some measure on the caprice of foreign nations for our daily bread. In consequence of wars, political alliances, or other unlooked-for circumstances that often influence the rulers of kingdoms, the only ports from which we could be supplied on a particular emergency, might be shut up from us, and we be obliged to suffer all the miseries of famine. Is it prudent in any nation which has it in its power to ward off such dreadful calamities, not to adopt that plan of conduct that would effect it, if it should even be attended with very great expence? But it is plain, that if by means of a well-regulated bounty, the general exportation of grain should ever become so considerable, as, in years of moderate plenty, always to exceed the greatest deficiency of crop that should ever be known to happen from unfavourable seasons, these very beneficial effects would be with certainty insured to Britain, and her inhabitants might remain in perfect security against the fear of dearth, much more against the fear of that most dreadful of all scourges, a famine.

Dr Smith asserts, that the price of grain regulates the price of every other commodity in a state; and although I may not be disposed to admit of this position in its full extent, yet upon his own principles it would seem to follow, that that state will be least liable to internal convulsions, where this universal regulator is permitted to vary as little as possible, and that he ought to have been happy at discovering an easy and effectual means of rendering
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that regulator as steady as the nature of things will admit of ; especially if this corrector should likewise tend to make the price of that universal standard lower upon the whole than it could have been without it ; (for however much I may be convinced, that an accidental depression of the price of grain below the medium price is always attended with hurtful consequences to the state ; yet I presume we will both agree in thinking, that it is at all times an advantage to a state to have that general price of corn as low as the nature of things will properly admit of) ; and as the bounty on corn naturally tends to produce both of these good effects, we would have expected that it would have met with his approbation instead of censure. For although the bounty deprives the farmer of the profits he might reap by the great rise of price that would ensue in consequence of a scanty crop, — yet this small loss is much more than made up to him by the greater price he receives for his corn in years of plenty, and the certainty it gives him of a ready market for his grain at all times ; which, however abundant, he is thus assured will never be allowed to remain unfolded. He therefore goes on with spirit in his undertakings, and produces much more grain with the same expence of stock and labour than he otherwise could have done ; and, like every other manufacturer in similar circumstances, can thus afford to sell his goods cheaper upon the whole than formerly, although he himself has perhaps better profit, and lives better, than he would have done in other circumstances.

Considered in this light, the bounty might with propriety be compared to a premium for insurance in any other hazardous undertaking. Agriculture is a trade necessarily subjected to very hazardous variations, owing to the unavoidable difference of seasons, and consequent encrease and decrease of crop, added to the
very

very perishable nature of grain of all sorts. This very hazardous employment, however, must, from the nature of things, be carried on by a number of individuals, the mediocrity of whose capital stock renders them incapable of bearing these great fluctuations without the most sensible inconveniencies to themselves and families. Like every other hazardous employment, therefore, the profits must be upon the whole higher than in other less hazardous trades, otherwise it would be abandoned ; and even with these high profits the risk and outlay is so great, as frequently to reduce those of moderate stock to beggary, whose ruin deranges the whole internal œconomy of the state. It is moderate profits in trade, and quick returns of stock, that most effectually contribute towards enriching the seller and accommodating the buyer ; on both which accounts it would be highly beneficial to the state to devise a proper method of diminishing the risks of the farmer.

In similar circumstances with this, it has been found, that the community has derived very high advantages from insurances in every other branch of trade. By the help of this most useful invention of modern times, a man may safely venture his whole stock in the most hazardous undertaking, without the smallest risk of ruining his family. In consequence of this security, such hazardous trades are no longer abandoned to those in desperate circumstances, who in hopes of obtaining a lucky chance, venture their little all, and are ruined by its failure. They then come to be viewed as respectable employments, and are followed by men of knowledge and abilities, who by strenuous efforts strive to bring them to the utmost degree of perfection they are capable of attaining. The competition which this necessarily occasions between the numerous dealers who are thus induced to pursue these trades, soon reduces the profits upon them much lower than formerly.

merly. The market will be of course more abundantly supplied with that particular commodity in which they deal, and the price will be also more moderate than before. In every case, however, the buyers must at any rate pay the insurance-price ; —and the only question that in this case remains to be determined is, Whether it will be more beneficial to the community at large to have this insurance-money advanced by some rich society, who find their profit upon such a trade ; or if every individual shall still be left to bear his own private losses, and to indemnify himself for them in the best manner he can ?—— No man who is in the least acquainted with trade, will be at a loss to determine this question in favour of the public insurance.

But the bounty on grain gives the farmer that security he stood in need of, and is by consequence similar in its effects to an insurance-premium in every other hazardous branch of trade.

Or, if it should please another rather to consider the bounty on corn as a premium advanced by the community, for insurance against the loss they might sustain from a variation of seasons, the reasoning would be equally just, and would only differ from the former in the terms.

For in whatever manner it may be advanced, it will not admit of a doubt, that the community must pay in one way or other more money for an equal quantity of grain, the produce of a scanty crop, than of one that is more abundant, not only to make up to the grower the inlack he feels in the quantity, but also to make up for the loss he sustained by the unreasonable lowness of price in a year of too much plenty.' If the farmer is left to himself, and this deficiency of crop comes to be supplied by

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importation,

importation, the consumers must, in the first place, pay a high premium to the farmer in the great advance on the price of grain, which must be at least so high, as to be the whole price of freight, merchants profits, &c. above some foreign accessible market at the time, and then another premium to the merchant-importer, to enable him to bring it from abroad. In this case the premium given to the farmer alone, must be altogether sufficient to indemnify *him* for his deficiency of crop and former losses, otherwise he cannot continue his employment; but besides this, there still remains to be paid another premium to the merchant-importer, which is entirely a superfluous expence to the state, as it has already paid the farmer his full insurance-profit: and what aggravates the misfortune in this case is, that both of these high premiums come to be paid at once entirely by the lower orders of the people; so that this is the most destructive method of levying it that could possibly be invented.

By contriving, however, to pay the farmer for the loss he might sustain in a year of plenty from the disproportionate lowness of price, or, in other words, by granting the bounty, they enable him to dispense with the extraordinary price he would have been obliged to exact in years of scarcity, and, by tempting him to rear as much grain as possible, they put it in his power to apply a part, or the whole, of his ordinary surplus produce to the use of the home market, instead of sending it abroad, as it was originally intended. In this manner the market is kept low; and the inhabitants are at this time saved, not only the farmer's extraordinary premium, but also the high charge of freight and merchants profits on importation, which they would otherwise have been obliged to advance. In this case also the premium is paid, viz. by the advance of the bounty-money, and the rise of
price.

price which that occasions in plentiful years ; but it is paid in such a manner as not to be sensibly burdensome to the state.

Where such a political arrangement takes place, the community at large may be said to become the insurer of every individual against the inconvenience that may arise from unfavourable seasons and a scanty crop. Like the Edinburgh Friendly Insurance company, the whole society become bound to make up the loss that shall be sustained by any individual among them from fire ; which enables every one of its members to live in perfect security at all times, instead of running the risk of being totally ruined by any unforeseen accident.

And as it is not in the power of man entirely to prevent accidental fires in the one case, or accidental bad seasons in the other ; so in neither case is it possible to prevent entirely the loss that may thus be sustained by those individuals that may be most exposed to danger. It ought, however, to be the study of the politician, to make these unavoidable losses be as little hurtful to the state as possible ; which can be in no manner so well effected as by making that loss be borne by the community at large, as equally as possible, instead of allowing it to continue to rest entirely upon the individuals on whom the principal loss should first fall.

The bounty on corn is even perhaps more highly beneficial than the insurance on any other hazardous stock ; because, in most other cases, it is those who have most property that are most exposed to danger ; whereas here it is the poor, and those who have least to lose, who are the principal, and almost only sufferers, when danger comes : but as the bounty is paid out of the aggregate funds of the whole community, the rich members of the state

contribute their proportion of the premium ; which insures the poor a certainty of enjoying the necessaries of life at all times at a moderate price.

The bounty has a natural tendency to over-rule even the influence of bad seasons themselves, and prevent them from varying the total amount of the crop so much as they otherwise would do : for as it gives the farmer perfect security, and enables him to apply his whole capital to the improvement of his trade, it necessarily occasions a more perfect culture of the soil ; and every sensible farmer knows, that a rich soil in a high degree of cultivation, is far less liable to be affected by a variation of seasons, than one that is in worse order at the time. Like a man of a robust temperament and healthy constitution, who can bear, without any sensible inconvenience, such great variations as to diet, air, exercise, &c. as would totally destroy a man of a weakly habit, the produce of an improved soil will hardly be in the least affected by a variation of season, that would entirely destroy the crop of one that was in a poor and exhausted condition. In this manner the inconveniencies of bad seasons come to be less sensibly felt, and the consequent necessity of high prices proportionally abated.

The corn-laws of England, therefore, as tending to produce all these beneficial effects, I think we need not hesitate to call extremely wise : and although it should be allowed, that in some respects they are much less perfect than they might be, we ought not to endeavour to vilify them, and cause them be rejected on account of these defects ; but rather endeavour to point out such defects as need to be corrected, so as to improve them more and more, and render them still more beneficial to posterity than they have

have been to ourselves. With this view I shall suggest the following hints, relating to the corn-laws, to the consideration of the judicious reader.

It would seem reasonable, that instead of one invariable bounty to be paid upon the exportation of grain equally at all times, when the grain in our home market was below one specified price, it would be more equitable, and better adapted to the end in view, (the preventing as much as possible all variations in the price of grain in the home market), to make the bounty vary with the price of grain in the home market, so as that it should encrease as the price of grain decreased.

With the same intention it would be proper, not only to permit the importation of corn when the price at home exceeded a certain rate, but even to give a premium on importation when it should rise above another limited price; and which premium should also encrease as the price in the home market encreased.

Let us, for example, suppose, that the price of wheat fluctuated between 30 shillings and 60 shillings per quarter, and that it was intended never to allow it to come to either of these prices,—the premium might vary in some measure, as in the following table.

When

When the price of wheat per quarter should be at		the bounty on exportation should be per quarter
s.		s.
30 or under,	-	10
34	-	8
38	-	6
42	-	4
44	-	2
46	-	1
48	Exportation to cease, and importation be allowed of.	
50	-	1 premium on importation.
52	-	2
54	-	4
56	-	6
58	-	8
60 and all above that price	10	

I do not pretend to determine, whether or not the rates in the above table are the best that could be chosen. All I mean to insinuate is, that a system of corn-laws founded on these principles, if rightly digested, would probably lay the best foundation possible for a steady and settled market for grain at a moderate price. Nor would there be given, according to this system, any undue preference, either to the farmer on the one hand, or to the other classes of people on the other hand; as an equal provision would be made for moderating the price when too high, as for raising them when too low. Perhaps the greatest inconvenience attending it would be the trouble of settling the prices so as to regulate the bounty or premium; but this might be done by the sheriffs for their respective counties, at regular periods, as is practised

tified at present in some cases in Scotland.—This particular will be more fully explained in the sequel.

By such a system, agriculture would be more effectually encouraged than by the corn-laws at present in force in England, without paying a greater sum for the bounty. For as the premium would be greatest when the prices were low, there would be on these occasions a sudden demand for exportation, which would quickly raise the price, and lower the bounty with it; which would soon bring it to the ordinary selling-price of grain at present; in which case the bounty would be less than our law just now allows of: so that the farmer would be more certain of a reasonable price, and the manufacturer more effectually secured against the possibility of a dearth, than at present. By this steady encouragement to the farmer, it is probable the exportation would increase so much, as in time totally to prevent the necessity of any importation at all. The present corn-laws in England have even already effected this in a great degree.

Others before me have been convinced of the beneficial effects of the bounty; and, not satisfied with reasoning alone, have had recourse to facts in confirmation of their reasoning; alledging, that notwithstanding the great decrease in the value of money since this system of legislation has been adopted, and the consequent increase in the price of almost every other article in England; yet grain continues a singular exception to that general rule; as its price has decreased instead of increasing since that period, and consequently its *real* value is just now much lower than it was before the bounty was allowed of; which they have, with seeming justice, attributed in a great measure to the operation of the corn-laws.

This

This fact is admitted by all parties; but, in granting the fact, Dr Smith affirms, “that this event,” (viz. the fall of the average price of corn since the bounty), “supposing it to be as real as I believe it to be, must have happened *in spite of the bounty*, and “cannot possibly have happened *in consequence of it* *.”

In a matter of so much moment, we cannot help regretting that Dr Smith should have contented himself with the bare assertion, instead of farther proof. But as the fact so exactly corresponds with the conclusion that reasoning would have induced us to expect, it gives to that reasoning so much additional weight, as to entitle it at least to a serious refutation. Had the fact indeed been relied upon as the only proof in its favour, I would have thought there was reason to suspect it might have been occasioned by some other circumstance not attended to; — but when reasoning and facts thus mutually corroborate one another, no man of sound understanding will think, that a bold assertion, or flippant remark †, will be accepted of as a proof of their fallacy. That other circumstances have co-operated with the bounty in producing this effect, I am ready enough to allow; — but it appears to me at least, that it yet remains to be proved, that this event has happened, not in consequence, but *in spite of the bounty*.

I may likewise be permitted here to observe, that if it shall appear certain, that the bounty has a necessary tendency to lower the price of corn in years of scarcity, instead of raising it, as Dr Smith alledges, all the reasoning that he produces, to shew the hurtful consequences that would result from the supposed rise of

* Vol. 2. p. 92.

† See Dr Smith, vol. 2. p. 128.

price that he imagines is occasioned by the bounty, falls of itself to the ground, without requiring any answer.

His reasoning, likewise, in the parallel drawn by him between the English corn-laws, and the laws of Spain and Portugal with regard to the commerce of gold and silver, seems to be liable to as great objections as the other particulars above specified. The exceeding perishable nature of the one commodity, and the great durability of the other, establishes alone a natural distinction between them, that it is impossible for any political institution ever to destroy. If, to pursue his own simile, the one may be damm'd up so as to be made to spread over the surface of a large extent of country, and produce an extensive permanent lake that is subject to no abatement, the other would be of such a subtle or volatile nature as to sink through the soil, or be evaporated by the sun, before it could have covered the half of the bottom of the basin, so as to be incapable of producing even a temporary lake of great extent.—If, with Dr Smith, the mines of precious metals may be compared to a never-failing spring, that by continuing to flow out with an equal current, will soon deluge any country into which it should be permitted to enter, and from which it could not issue with freedom, till at last it should rise above the barriers that had been erected to confine it, however high the dam might be, and would then flow over it just as fast as it should come in, — the production of grain may be with equal justice compared to the milk yielded by a cow, which, if not taken from her regularly as it is produced, will soon decrease in quantity, so as in a short time to dry up entirely, unless it is drawn from her at regular and short intervals, however rich and abundant her pasture may be.

Dr Smith himself seems to have been fully sensible of the justness of this reasoning, when he observes before he quits the subject entirely, that “the trade of the merchant exporter of corn “for foreign consumption, certainly does not contribute *directly* “to the plentiful supply of the home market. It does so, however, *indirectly*. From whatever source this supply may be “usually drawn, whether from home growth, or from foreign “importation, unless more corn is usually grown, or usually imported into the country, than what is usually consumed in it, “the supply of the home market can never be very plentiful. “But, *unless the surplus can, in all ordinary cases, be exported*, the “growers will be careful never to grow more, and the importers “never to import more, than what the bare consumption of the “home market requires. *That market will seldom be over-stocked; “but it will generally be under-stocked*, the people whose business “it is to supply it being generally afraid lest their goods should “be left upon their hands *.”

But if the market would *in all ordinary cases* be under-stocked, would not the price of grain be *in all ordinary cases* enhanced by that circumstance? — It has, however, been already shown, that grain *in ordinary cases* could not admit of being exported, at least from Britain, unless it were for the bounty. It must, therefore, according to Dr Smith’s own reasoning, tend in the most effectual manner to supply the home market abundantly at all times, and consequently to moderate the price.

It may perhaps be admitted as a general rule, That an unlimited freedom of commerce, without either encouragement or

* Vol. 2. p. 123.

restraint,

restraint, is the conduct that would be most highly beneficial to the state; and that it would be an advantage to the country in general, that those branches of commerce which cannot go on without aids of any sort, should be abandoned as unprofitable. But the rule will admit of many exceptions, and perhaps in no case more than in what relates to the commerce of grain. Other articles of commerce can usually be dispensed with whenever their price becomes too high, without materially affecting the well-being of the inhabitants in general, so that it is a matter of comparatively small importance whether they abound or are scanty. But this is far from being the case with grain. It is indispensably necessary, that the inhabitants should be at all times provided with it in abundance: for it cannot be wanted for one day. In case of a scarcity of this commodity, therefore, it is more liable to an excessive rise of price than any other commodity; and this excessive rise of price is attended with infinitely more fatal consequences than a rise in the price of any other commodity*. In other articles we trade merely for pleasure, or profit; — in this we trade from necessity. It therefore becomes necessary to judge in a different manner as to this branch of trade from what we might do as to any other.

I might perhaps here close my remarks upon this subject of the bounty on grain.— But as Dr Smith returns to it often, and throws out various other observations on the commerce of grain, I shall hope to be excused, if I endeavour to follow him a little farther. Detached hints as coming from *him* may sometimes have effects that he was not aware of at the time he made them.

* The reader is desired here to recollect the dreadful consequences that resulted from this cause in the province of Bengal in the year 1772.

By what mode of reasoning Dr Smith satisfied himself, that “the bounty upon the exportation of corn can in no respect promote the raising of that particular commodity of which it was meant to encourage the production *,” it is difficult for me to perceive. But if he once came to be convinced of this as a fact, it was natural enough in him to refuse to admit the bounty on corn among the class of bounties *on production*; and to ascribe to it effects altogether different from those which result from that particular class of bounties. But if I have succeeded in proving that the bounty on exportation has the most direct tendency to encrease the quantity of corn *produced* in the country, the reader will, I hope, be satisfied, that it is in the strictest sense of the word a bounty *on production*, and is therefore entitled to the same degree of applause as other bounties of this class.

Neither can the bounty be considered as a prop given to one of those unprofitable manufactures that cannot be supported without more money than could ever be returned to the nation by it, as he supposes †. The corn-trade is one of those that can never cease without producing the most dreadful disasters to the country; so that it must go on alike with or without the bounty; with this only difference, that without the bounty the nation would export very little, and import a very great deal, whereas by the assistance of it, the case is directly the reverse, as the exports will always greatly overbalance the imports. In the first case it is plain, that the national stock would be diminished by the whole price of that which was paid for the corn imported; and in the last case it would gain the whole amount of what it

* See Vol. 2. p. 102.

† Vol. 2. p. 92. and 102.

drew from foreign nations as the price of corn exported. The society at large, therefore, must be gainers by the bounty. The bounty, in fact, costs the community nothing; nor does it take any thing from the pockets of individuals, but the reverse. The farmer must at any rate be paid for his labour, &c. or give up his employment; so that if he should lose by the low price in years of plenty, he must be again indemnified for that by a higher price in times of scarcity. If, therefore, the consumers advance a small part of the price to the farmer in years of plenty, he repays it with abundant interest in times of scarcity, by a diminution of the price at that time. The bounty considered in this view, is exactly similar to the money that should be advanced to a poor manufacturer by his employer when he begins the work; as the manufacturer, by receiving a small part of the price before the work is finished, is thereby enabled to afford it upon the whole much cheaper than if he had been obliged to borrow money from another at an extravagant interest, to supply his necessities in the mean time; in which case, although the employer gives at one time money apparently for nothing, yet in the end that becomes a real saving to himself, as it comes at another time to be received as a part of the price of his goods. If the consumers of grain did not advance this small bounty to the farmer, they would be under the necessity of paying a much higher one not only to himself, at another time, but also to foreign nations in years of scarcity; so that instead of being a loss, it is a great saving to the society at large, and must in its consequences be attended with very great benefit to the consumers of grain themselves.

I would not here take any farther notice of the position of Dr Smith, That "corn is the regulating commodity by which the
" real

“ real value of all other commodities must be finally measured
 “ and determined *,” were it not for the consequences he afterwards deduces from this, supposing it real and undeniable. It is not, however, strictly just; as the proportion of this regulating influence of corn may be varied by many circumstances that ought to have been attended to.

I presume it will be allowed, that the price of corn can only affect the price of labour in so far as that corn is in all cases a necessary and indispensable article of the labourer’s subsistence. If this is allowed, it could then only be said absolutely to regulate the price of labour, if what a man eats should constitute the whole expences of his family. This, however, is, in no state of society, the *whole* of his necessary expences. In many cases it constitutes but a very inconsiderable part of them; as the conveniencies, and even the luxuries of life, in an advanced state of society, come in time to be accounted necessities; and on these occasions must affect the price of labour, as well as the price of grain affects it.

Lodging and clothing are in all cases necessary expences; and by consequence the price of labour must be affected by a variation in the rate of house-rent, — in the sumptuousness of houses, elegance of furniture, &c. that fashion may have made necessary in any one place for persons of a certain rank.—— The price of cloth, — linen, — leather, — ribbons, — buckles, — buttons, — pins, and all the other numerous articles of clothing must in the same manner affect the price of the labour of those who use any of them.—— In like manner, soap for cleaning, — fuel for warming, and oil or candles for affording light, are necessities, and

* Vol. 2. p. 101.

must affect the price of labour: to which must be added those luxuries that fashion may have rendered necessities; as tea,—sugar,—tobacco,—snuff, &c.; together with the local taxes, such as poors-rate,—stent and burden* in towns, and every other particular that can constitute a part of the expence of a labourer or his family, in that way that these labourers may be accustomed to live in any country.

But if all these articles are summed up on one side, and the single article of corn and other rude products of the fields on the other, it will be found, that unless in the very poorest families, these other extraneous articles bear a very considerable proportion to the whole annual expence of a family †.

I am aware it will be here replied, That although it be granted, that every labourer must give out a considerable proportion of his earnings for other articles, besides for food, the produce of his native fields; yet as these articles are for the most part manufactured by other labourers, who will be able to sell them in proportion to the price of the grain on which they live, this brings

* Names of particular taxes levied by the authority of the magistrates of towns in Scotland.

† Dr Smith himself seems to allow this, when he says, (p. 484. vol. 2.), “A tax upon those articles, (that is, on the necessities of life), necessarily raises their price somewhat higher than the amount of the tax; because the dealer, who advances the tax, must generally get it back with profit. Such a tax must therefore occasion a rise in the wages of labour, proportionable to this rise of price.”——“Taxes upon necessities, (p. ib. 486.), by raising the wages of labour, necessarily tend to raise the price of all manufactures, and consequently to diminish the extent of their sale and consumption.”——“The price of fewel has so important an influence upon that of labour, that, all over Great Britain, manufactures have confined themselves principally to the coal-countries.” p. 448.

it back again to the price of grain, which thus equally regulates the price of manufactures as of labour.—I answer, That there are many particulars that require to be examined before this reasoning can be admitted as conclusive.

In the first place, It must suppose that all the labourers who manufactured the articles which are needed by the first-named labourer, have lived entirely upon grain, or other produce of his native fields. For if they have consumed any part of the produce of other fields, the price of these articles may affect the price of the manufactures, as well as the corn of the country affected them.

In the second place, These manufactures must have been all worked up from materials the produce of his own country; otherwise the price of these rude materials, which cannot be in the least affected by the price of corn at home, must affect the price of the manufactured goods.

In the third place, Even supposing all the rude materials had been the produce of the particular spot in question, they must have been afforded to the manufacturer at the same price they yielded to the first rearer; as in any other case the price of the manufactured goods must be affected by that artificial price of the raw materials which does not return to the soil. Hence there must be no taxes on any of the rude products of that country; as these will necessarily affect the price of the manufactures in proportion to their amount.

In the fourth place, There must be no tax either national or local, levied from any of the particular manufacturers; as these taxes must necessarily tend in so far to affect the price of his labour, without

without having any necessary dependence on the price of the corn he shall have consumed. But,

In the fifth place, It must be a rule without any exception, That none of the manufactures used in the country, nor any other articles consumed in it, have been brought from any other part of the world ; for it is certain, that the value of every such manufacture does not depend in the least upon the price of the corn in the country to which it may be transported.

But as it may happen, that a country shall receive many of its materials for building from abroad ;—as it may be altogether, or in part, clothed with manufactures brought from a distance ;—as it may also happen, that the inhabitants shall consume many articles of food, and other *necessary luxuries*, that come from afar ;—as the natural rude products of the country itself may be taxed by the state, so as very much to enhance their price, and raise its own internal manufactures to a very great height ;—and as local taxes on industry may be imposed, which will raise the price of these manufactures still higher,—there can be no doubt but that the price of labour may be greatly varied in different places, altogether independent of the price of grain.

There is in fact no kingdom in Europe in which the price of labour is not more or less affected by all of these articles, as well as by the price of corn. In every country the greatest part of the rude products of the soil are more or less taxed by the state before they can reach the consumer ;—in every country local or general taxes are levied from particular manufactures ;—some part of the rude materials that are manufactured in every European state are brought from a distance ;—in every district many of the

most important manufactures consumed there, are brought from some other distant country;—and in all places the inhabitants consume some *necessary superfluities* that come from distant regions: In no place, therefore, is the price of labour or of manufactures *entirely* regulated by the price of grain in that place.

In some cases the price of grain has but a very slender influence on the price of labour, as that on some occasions constitutes but a small part of the annual expence of the labourer's family. For

If it should so happen, that a particular country had no manufactures * of its own, and if the inhabitants should sell nothing but corn, or other rude products of the soil, and should depend on distant countries for all their articles of cloathing, luxuries in eating, and every other kind of manufacture; it is plain that all these manufactures taken in the aggregate, enhanced by the heavy charge of freight, insurance, &c. would bear such an overproportion to their food, (which in that case must necessarily be supposed to be abundant), as would have a much greater influence on the price of labour than the price of grain would have;—especially if these people, from the favourableness of their soil and climate, should be able to sell so much grain, or other rude produce of the soil, at a low price, as to enable them to cloath themselves well, and to purchase the other elegancies, conveniences, and superfluities of life.—This, it is well known, is actually the case at present with some of the British colonies in A-

* The term *manufactures* is here employed in its vulgar acceptation, as excluding agriculture.

merica, where the price of labour is very high, although the price of grain is extremely low *.

Similar effects may be, and actually *are*, in some measure, experienced in Europe, from causes in some measure resembling the above.

Let us suppose there is a particular country where few of the common manufactures for cloathing, or others of as indispensable use, are carried on, and where the inhabitants are supplied with these necessary articles from other countries; the price of corn, and the other rude produce of the fields, may be here extremely low, and manufactures of all sorts, and taxes of every kind, so very high, as to force these necessary articles to bear a very high proportion in the ordinary expences of a family, to that of bread-corn: In this case it would be these extraneous articles, and not the price of grain, that would chiefly regulate the price of labour in that country.

This is in some measure the case with most of the distant corn-counties in Scotland, where few manufactures of common useful necessaries have been established, in which places the price of labour is very high in proportion to the average-prices of grain.

It is easy for us to figure to ourselves another case, in which

* I am sensible that other circumstances concur to heighten the price of labour in America. But it is evident, a case similar to that mentioned in the text, would produce the effects there mentioned without any of these; so that if the price of labour is affected by any other peculiarities, these would form other exceptions to the general rule of Dr Smith.

corn might continue to be very low-priced, without producing a proportional lowness in the rate of labour.

If, while the rude produce of the country, or those articles that were necessary for carrying on those manufactures of indispensable necessity, were highly taxed; and, notwithstanding these drawbacks, the inhabitants, instead of importing them from abroad, should be in the practice of manufacturing them at home, although still strangers to all those numerous inventions for abridging labour, and simplifying the severe operations of the artisan, by dividing the several operations into distinct parts, and allotting to each labourer his own particular task, and thus making them all co-operate with one another in producing a much more perfect whole, and at a much smaller expence, than any one of them could have singly effected;—their manufactures would not only be rude in fashion, but also intrinsically of smaller value, although at the same time they could not be afforded to the buyer but at a higher price. In these circumstances, all the manufactures needed in a family must be higher than the proportional price of the grain would seem to require; so that this part of family-expences would bear a much higher proportion to that of its food, than in other countries, where manufactures were carried on in a more perfect manner.

In countries, too, that are thinly peopled, where buyers are few, and market-places at a great distance from one another, the very expence of going to fetch the articles necessary for a family, becomes a heavy tax upon the inhabitants: and the difficulty he finds in procuring the things he may have use for when he needs them, puts the householder to the necessity of buying at one time what he may not have use for till some time afterwards; which,
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in perishable commodities, is always attended with loss; and, in other cases, it occasions an inconvenient outlay of stock, which is attended with no small hardship to a poor man: and if to this be added the incomplete assortment of goods that can be found in the shops, which compels the inhabitant to buy, not the very thing he needs, but that only which approaches towards it, although perhaps it shall be both more expensive, and much less proper for the purpose he wants; and if it be likewise considered, that as the retailers in these circumstances cannot have a quick sale, they are obliged to exact, and, having few competitors, are enabled to obtain a much greater profit upon the articles in which they deal, than they could have got in a more populous district; it must follow, that the inhabitants so situated will be obliged to pay much above their natural value for all necessary articles, grain only excepted; so that these necessities, rather than the price of grain, will regulate the price of labour.

It is on account of these little circumstances, so often overlooked by politicians and men of high rank, although so sensibly felt by those in lower spheres of life, that it is universally found, that the expence of housekeeping is much higher in distant corners of the country, where industry has not yet taken firm footing, and where the price of grain, and other rude produce of the soil, continues very low, than a superficial observer would at first sight expect to find it:—and it is on account of the vast convenience that manufacturers find, from having access at all times to a good market, where they can get a perfect assortment of all things they want;—and the very great saving that accrues to them by being able to find the exact thing that suits the purpose they want in the most perfect manner,—where they can buy even a single nail of the particular size and shape that suits them, without being obliged

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to purchase the smallest superfluity, that it is found a labourer will often live more comfortably, and be able to afford his work a good deal cheaper, in a populous thriving place, than in one that is poor, and thinly inhabited, although the price of grain, and all the rude produce of the soil, shall be much cheaper in the last place than in the first. It is chiefly on this account that manufactures are in general cheaper in Holland than in most countries of Europe, notwithstanding the very high taxes that are laid upon almost every article of life, and the very high price of all kinds of food in that country.

The low price of grain, therefore, will not necessarily ensure cheapness of labour in any country ; — it is the invigorating spirit of industry alone that can ensure that blessing in any situation whatever.

I have been at pains to develop the above circumstances more fully than perhaps would have been strictly necessary for illustrating our general argument, — with a particular view to make this circumstance be attended to by any of those public-spirited men who may attempt at present to establish any extensive manufacture in any remote corner of the country.

It deserves likewise to be remarked, that although the apparent price of labour is usually lower in poor countries, where the produce of the soil, and grain in general, is cheap ; yet it is in fact for the most part *really* higher than in other countries. For it is not the wages that is given to a labourer per day that constitutes the *real* price of labour, although it is its *apparent* price. The *real* price is that which a certain quantity of work performed actually costs the employer ; and considered in this light, labour is
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in almost all cases cheaper in rich countries than in those that are poorer, although the price of grain, and other provisions, is usually much lower in the last than in the first. Mr Smeaton, in giving in his estimate of the expence of making the canal from Carron to Dunbarton, subjoins a note to the following effect : — That although the above estimate is what the same quantity of work could be performed for in England ; — yet, from whatever cause it might arise, he thought it necessary to observe, that he had always found it required (I think) about a fourth part more money to execute the same quantity of labour in Scotland, so that an allowance ought to be made on that account. It is well known, however, that labour estimated by *the day*, is much lower in Scotland than in England ; and that grain, and other rude produce of the field, is also cheaper. But Mr Smeaton's experience has taught him, that labour *by the piece* is in general cheaper in England. My own experience corroborates that of Mr Smeaton : for where I now live, the wages of a labourer per day is about a fourth lower than where I first practised farming ; but the price of any piece of work is in general between one fourth and one third higher.

I must, therefore, again repeat it, that the low price of grain does not necessarily ensure cheapness of labour ; for in all those cases where a habit of industry has not been fully established, the price of labour must needs be very high in proportion to the average-prices of grain.

This may often be the case, even where manufactures are established, and carried on in a flourishing way. For if the inhabitants, instead of applying themselves to the manufacturing such things as are of daily use for themselves and families, should be
busily

busily engaged in working up foreign materials into manufactures for distant markets, it would follow, that all these manufacturers would themselves depend on distant countries for the ordinary supply of cloathing, which they would be unable to purchase with the money they earned by their own labour; and if the merchants found they had great profits by selling these manufactures in distant markets, they would naturally overbid one another, so as to raise the price of labour; and if the price of labour was much augmented, the people employed upon these manufactures would have much money to be employed in purchasing foreign luxuries, which would in time come to be necessaries almost as much as grain itself. In these circumstances, it is plain the price of grain could have but a very small influence in regulating the price of labour, or in influencing the profits of the manufactures, as this would constitute but a very small part of their ordinary expences.

On the contrary, it is sufficiently evident, that the price of manufactures must necessarily influence, and even in some measure regulate, the price of grain, in a situation similar to the above. For if the grain should continue as low as before these manufactures were established, the farmer would find his profit so inconsiderable in proportion to that of the manufacturing labourer, as to be induced to desert that employment, and by an imperfect or less general culture, raise the price of corn, till he should reap a profit from agriculture in some measure proportioned to that obtained in other trades. This I have already had occasion to observe is in a great measure the present state of Aberdeenshire; and a bad arrangement it is.

That the price of manufactures, and the rate of mercantile
I profit,

profit, must in all cases influence in a certain degree the price of grain, instead of being entirely regulated by it, seems to be tacitly allowed by Dr Smith, when he admits, that the money-price of grain must be affected by the general decrease in the value of silver that has taken place in Europe in consequence of the discovery of America. For if this shall be admitted, it must be granted, that this extraordinary influx of money that comes into any country, and thus degrades the value of specie there, can only find its way thither in return for the manufactures * sent abroad to those countries where the money more abounds; which manufactures, by procuring in return to the merchant a greater quantity of silver than formerly, enables him in his turn to encrease the wages of the manufacturer; in consequence of which extraordinary prices, some part of the ordinary labour will be turned from agriculture towards manufactures, till the price of grain shall gradually rise so as to afford the farmer a reasonable profit.

I conceive it impossible to show in what other way the price of grain can be affected by the decrease in the value of silver.— But in this case it cannot be denied, that the price of grain, instead of regulating the rate of labour, and price of manufactures, has been regulated by these. It seems to me, that they mutually influence and regulate one another: for if the profits in any trade are, from accidental circumstances, greater than another, a quantity of stock and labour will be withdrawn from the one, and

* The money might be brought into the country also in exchange for the rude produce of the soil alone; — but as this has never happened in any European country, except perhaps Poland, I have entirely omitted it in the text, to avoid unnecessary distinctions.

applied to the other, till the balance is restored to its proper equilibrium.

These positions appear to me so very plain and self-evident, and at the same time are so incompatible with the idea that Dr Smith's reasoning about the regulating influence of corn, and the other consequences he deduces from it, as well as to several passages in other parts of his work, that I am under some apprehension that I do not fully comprehend his meaning on this head: but as others may be equally at a loss with myself, and as his reasoning seems to lead to false conclusions, others, as well as I, may draw these conclusions from his doctrine until it is more clearly explained; which will, I hope, be a sufficient excuse for my here explaining what are my own doubts.

Dr Smith runs a parallel between manufactures and corn in the following terms. " When, either by the monopoly of the
 " home market, or a bounty upon exportation, you enable our
 " woollen or linen manufacturers to sell their goods for some-
 " what a better price than they otherwise could get for them,
 " you raise, not only the *nominal*, but the *real* price of those
 " goods. You render them equal to a greater quantity of labour
 " and subsistence; you encrease, not only the nominal, but the
 " real profit, the real wealth and revenue of those manufacturers,
 " and you enable them either to live better themselves, or to em-
 " ploy a greater quantity of labour in those particular manu-
 " factures. You really encourage those manufactures, and di-
 " rect towards them a greater quantity of the industry of the
 " country, than what would probably go to them of its own
 " accord. But when, by the like institutions, you raise the
 " *nominal* or *money* price of corn, you do not raise its *real* value;
 " you

“ you do not encrease the real wealth, the real revenue either of
 “ our farmers or country-gentlemen ; you do not encourage the
 “ growth of corn, because you do not enable them to maintain
 “ and employ more labourers in raising it. The nature of things
 “ has stamped upon corn a real value which no human institution
 “ can alter. No bounty upon exportation, no monopoly of the
 “ home market, can raise it ; the freest competition cannot lower
 “ it. *Through the world in general, that value is equal to the*
 “ *quantity of labour which it can maintain ;* and in every particular
 “ place it is equal to the quantity of labour which it can main-
 “ tain in the way, whether liberal, moderate, or scanty, in
 “ which labour is commonly maintained in that place. Woollen
 “ or linen cloth are not the regulating commodities by which the
 “ value of all other commodities must be finally measured and
 “ determined, corn is. The real value of every other commodi-
 “ ty is finally measured and determined by the proportion which
 “ its average money-price bears to the average money-price of
 “ corn *.”

I frankly acknowledge, that after having bestowed all the at-
 tention I am able upon the above passage, I cannot clearly per-
 ceive what it means. At first view it seems to indicate some my-
 sterious immutability in the nature of the value of corn which is
 peculiar to itself, and therefore sets at defiance all attempts that
 may be made to alter that value.— But upon a nearer exami-
 nation, it seems impossible to admit of this meaning. Let us en-
 deavour to develope our ideas on this head.

The real value of any commodity in a civilized and commer-

* p. 100.

cial state, when speaking in a commercial style, free from all metaphysical subtilty, I understand to be, the quantity of the necessities or superfluities of life, or, if you will, the quantity of subsistence, which that particular commodity is able to procure to the person who possesses it. But in commercial countries, where all commodities are readily exchanged for money, the quantity of that universal medium that can be obtained for any particular commodity will indicate exactly its real value to the possessor: for it will not be denied, that the more money he can draw for it, the more subsistence it will enable him to purchase with it. In common language, therefore, and seemingly with strict propriety, the quantity of money any commodity can procure, is called its price; and its real value is estimated by the amount of that price.

This, however, it would appear, cannot be the *real value* of corn mentioned in the above passage, which *no human institution can alter*, &c.—For in this sense it is plain, that the *real value* of corn may be altered by a thousand different circumstances*.

Considered

* In the above passage there seems always to be a contrast implied between the *real* and the *nominal* price of corn. It is, however, certain, that the *nominal* and *real* price of any thing must at all times be exactly the same, unless in the following circumstances.

First, If the price of any commodity, at one period of time, be compared with its price at another period, their *nominal* value may be the same, although their *real* price may be very different; because the price of the common standard by which they are compared, may have been different at these two periods; that is, the value of silver may have increased or decreased in that time, so that an equal quantity of it might have been able to purchase more of any other commodities at one of these periods than the other.

Secondly, The same variation may take place between the *nominal* and *real* value

Considered in this light also, there could not be any essential difference established between the nature of corn and other commodities, which is fully implied above; for the *real value* of corn, as well as of every other commodity, is, in this sense, the price it will bring in a public market. This, therefore, cannot be the meaning of it.

There is another way in which mankind sometimes estimate the *real value* of a thing, viz. by comparing its value with that of other commodities, not only in the home market, but in all o-

ther of any commodity at the same period in different countries; because the value of money may be higher in the one of these countries than in the other; by which means the same quantity of silver may purchase a greater quantity of goods in the one case than in the other.

Thirdly, The value of the same nominal quantity of silver, may be different at different periods, or in different countries, by giving the same denomination to pieces of silver of different weights in these different circumstances; so that the same nominal sum of money shall express a greater weight of silver in the one case than in the other.

In all these ways may a variation take place between the *nominal* and the *real value* of any commodity. But in all these cases the commodity whose value is mentioned, must be compared with others, either *at different periods of time*, or *in different countries*; for it is impossible but the *nominal* value of any commodity, that is, the quantity of money it is able to purchase, must be exactly the same with its *real value*, considered in a commercial view, when compared with other commodities in the same country at the time.

It will perhaps occur to the reader, that every difficulty would disappear, and that Dr Smith's reasoning would be here plain and consistent, if we were to suppose, that the price of grain had such an immediate influence on that of all other commodities, as necessarily to make the nominal price of each of these, on all occasions, to rise and fall with every fluctuation in the price of grain. But this is a supposition so directly contrary to experience, that it would be an insult on Dr Smith to suppose we should understand it in that way.

other

ther parts of the world. In this sense, however, we are farther from our purpose than before; because the real value of grain considered in this light, would admit of greater variations than that of almost any other commodity; as it may happen, that the money which can be procured for an equal quantity of grain in one country, shall be extremely different from what could be procured for it in another; and therefore the quantity of subsistence it could procure from any third country, to the different original proprietors, would be exceedingly dissimilar. This, therefore, cannot be the meaning.

“Through the whole world, (says he), in general that value is “equal to the quantity of labour it can maintain.” But neither do we here meet with the discriminating circumstance we are in search of. By the word *maintain* can be meant nothing else than *procure* immediately in exchange either for *itself in substance*, or for *its price*, which is the same thing; so that it might be equally read, the quantity of labour it can *purchase*. But is it not equally true, that through the whole world the value of a yard of cloth, or a paper of pins, is equal to the quantity of labour it can purchase? In this sense, the value of every commodity would be equally immutable with that of corn: for there can be no doubt, but the value of every commodity, through all the possible variations of price it may be made to undergo, will at all *times be equal* to the quantity of labour it can purchase; or, in other words, the value, that is, the price will be equal to the price. But this would be a play upon words, or rather a jingling of words, without meaning, that we cannot suppose Dr Smith could be capable of employing.

I am further confirmed in the idea that I do not comprehend the meaning of the passage quoted above about the immutable
value

value of corn, from observing, that Dr Smith, in other passages, reasons about the means of encouraging or discouraging agriculture, and raising or depressing the value of grain, in proportion to that of other commodities, exactly in the same manner as any other man would do, who viewed this as a manufacture that admitted of being encouraged or depressed by wholesome or foolish regulations, in the same manner as any other manufacture *.

If

* "When a landed nation," (says he, p. 296.), "on the contrary, oppresses either by high duties, or by prohibitions, the trade of foreign nations, it necessarily hurts its own interest in two different ways. First, By raising the price of all foreign goods, and of all sorts of manufactures, *it necessarily sinks the real value of the surplus produce of its own land*, with which, or, what comes to the same thing, with the price of which, it purchases those foreign goods and manufactures. Secondly, By giving a sort of monopoly of the home market to its own merchants, artificers, and manufacturers, it raises the rate of mercantile and manufacturing profit in proportion to that of agricultural profit; and, consequently, either draws from agriculture a part of the capital which had been employed in it, or hinders from going to it a part of what would otherwise have gone to it. This policy, therefore, discourages agriculture in two ways: first, *by sinking the real value of its produce*, and thereby lowering the rate of its profit; and, secondly, by raising the rate of profit in all other employments."

But if "the nature of things has stamped upon corn a real value which no human institution can alter," how would it be possible for the above-mentioned arrangement, "necessarily to sink the real value of the surplus produce of the land?"

Or if "the money-price of corn regulates that of all other commodities," whence comes it that by the above arrangement the rise in the price of manufactures "necessarily sinks the value of the produce of the land?" for in this case it is the manufactures that regulate the price of corn, and not the corn that regulates the price of the manufactures.

"The inhabitants of the town (he also observes, p. 286.) draw from the country the rude produce which constitutes both the materials of their work, and the fund of their subsistence; and they pay for this rude produce by sending back to

"the

If the reasoning of Dr Smith about the pernicious tendency of the bounty on corn has been unsatisfactory, it will be found that he is still more unlucky with regard to the facts that ought to

“the country a certain portion of it manufactured and prepared for immediate use. The trade which is carried on between these two different sets of people, consists ultimately in a certain quantity of rude produce exchanged for a certain quantity of manufactured produce. *The dearer the latter, therefore, the cheaper the former*; and whatever tends in any country to raise the price of manufactured produce, tends to lower that of the rude produce of the land, and thereby to discourage agriculture. The smaller the quantity of manufactured produce which any quantity of given produce, or, what comes to the same thing, which the price of any quantity of rude produce, is capable of purchasing; *the smaller the real value of that given rude produce*, the smaller the encouragement which either the landlord has to increase its quantity by improving, or the farmer by cultivating the land. Whatever, besides, tends to diminish in any country the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets, for the rude produce of the land, and thereby still farther to discourage agriculture.”

I own it appears to me a little strange, that the money-price of corn, “which regulates the price of all other commodities,” p. 94. should now be lower in proportion as the price of manufactured produce is higher.— Equally strange it is, that “the real value of the rude produce of the land should fall lower as the price of manufactured goods rises higher;” seeing that “neither the bounty, nor any other human institution, can have any such effect.” p. 93. “No bounty upon exportation, no monopoly of the home market can raise it. The freest competition cannot lower it. The nature of things has stamped upon corn a real value, which no human institution can alter.” p. 101.— If it be true, that “the smaller quantity of manufactured produce, which any quantity of rude produce, or the price of that rude produce, is capable of purchasing, the smaller the real value of that given rude produce; and the smaller the encouragement which either the landlord has to increase its quantity by improving, or the farmer by cultivating the soil,” p. 286.; can it likewise be true, that when “you raise the nominal or money price of corn, you do not raise its real value? you do not increase the real wealth, the real revenue, either of our farmers or country-

to support it : for these, instead of corroborating his hypothesis, oppose it in the most direct manner.

Not to lay any stress on the great fluctuation in the price of grain that used to take place in the British market of old, nor of the extraordinary height to which it rose on some occasions, as already taken notice of, it is enough for our present purpose to rest barely upon the acknowledged depression in the price of grain that has taken place in England since the bounty was granted ; as this alone seems to furnish an unanswerable argument against the hypothesis he has adopted.

It will hardly be denied, that the value of the precious metals hath decreased in Britain since the law granting a bounty on corn.

“ gentlemen ? you do not encourage the growth of corn, because you do not enable them to employ more labourers in raising it ?” p. 101. Is not the *real* value of that rude produce, the same with the *nominal* value, or price it will bring in money in proportion to that which can be obtained for other goods ?

If, again, it be true, that “ agriculture may be discouraged” by having the price of manufactured goods raised, and thus “ lowering the value of the rude produce of the land,” will it not follow, that a contrary effect would result from an opposite conduct ? And if the landlord, by this depression of the price of the rude produce of his soil, “ will be discouraged from increasing the quantity “ (of grain) by improving, or the farmer by cultivating his land,” does it not necessarily follow, that by raising the price of their rude produce, the farmer would be induced to cultivate, and the landlord to improve his soil, and both of them thus help to increase its quantity ? How then can we be induced to believe, that the bounty, which, in Dr Smith’s opinion, always tends to raise the price of grain, “ can in no respect promote the raising of that particular commodity of “ which it was meant to encourage the production ?” p. 102. See also pages 455. 465. 486. 488. &c. in which arguments of the same sort with those above occur.

was enacted; and that, by consequence, the price of almost every commodity has risen proportionally in that period. But corn since that time has decreased even in its *nominal* value; it has therefore decreased in its *real* value in a much higher proportion.— Whence, I ask, arises this singular exception to the general rule, if it is not to be ascribed to the influence of the bounty?

This objection did not escape the attention of Dr Smith: but he seems to have disregarded it so much, as hardly to think it required a serious answer; as the only one he has assigned, will hardly be admitted as such.

“The improvement,” says he, “and prosperity of Great Britain, which has been so often ascribed to those laws, (the corn-laws), may be very easily accounted for from other causes. That security which the laws of Great Britain give to every man that he shall enjoy the fruits of his own labour, is alone sufficient to make any country flourish, *notwithstanding these, and twenty other absurd regulations of commerce*: and this security was perfected by the revolution, much about the same time that the bounty was established *.”

But this does not seem to solve the difficulty. For if the farmer, in consequence of that general security, has been enabled to cultivate his ground better than formerly; — has not the manufacturer, by the same security, been enabled to carry on his business to greater perfection also? — and if the farmer *now*, in consequence of that security, sells his corn cheaper than before; — ought not the manufacturer, on a double account, viz. first on

* p. 127.

account of that general security ; — and secondly, because of the low price of bread-corn, to sell his manufactured goods still cheaper in proportion than the farmer ?

On another account, still, ought the manufacturer to have lowered the price of his manufactures still farther than the farmer that of his grain, if no other cause but the general security could have operated in producing this change in the country. For Dr Smith himself justly observes *, that “ the improvements in the productive powers of useful labour, depend, first, upon the improvement in the ability of the workman ; and, secondly, upon that of the machinery with which he works. But the labour of artificers and manufacturers, as it is capable of being more subdivided, and the labour of each workman reduced to a greater simplicity of operation, than that of farmers and country-labourers, is likewise capable of both these improvements in a higher degree.”

This general security, therefore, ought to have lowered the price of every other manufacture in a much higher proportion than that of grain : — But the price of almost every manufacture has encreased considerably since that period, while that of grain has decreased ; — therefore it cannot be ascribed to that cause.

Again,— If the bounty on corn had tended to raise the price of that commodity, “ both in times of plenty and in times of scarcity also,” — it must naturally have followed, that the average

* p. 275.

price of grain on those places of the sea-coast from whence the greatest exportation always takes place, should be higher than in those parts of the country which are so situated as hardly to admit of being affected by the bounty.——This, however, is so far from being the case, that circumstances are directly the reverse.——For it appears, by the prices of grain that have been published by authority in the Gazette for several years past, that when wheat in the counties of Middlesex, Essex, Suffolk, and Norfolk, (from which counties almost all the exports from England are made), is about 4s. per bushel; in the inland counties of Wiltshire, the internal parts of Somersetshire, Staffordshire, Shropshire, &c. it sells at an average about 5s. 6d. or 6s. per bushel. This fact, therefore, militates as directly against the hypothesis of Dr Smith as the former.

I shall just beg leave to produce one other fact in opposition to this hypothesis, which is of such importance as it would be inexcusable in me to omit.

According to his mode of reasoning, if two kingdoms could be found that were alike in other respects and only differed in this, That a bounty on exportation of corn was allowed of in the one, in consequence of which much corn was exported, whereas in the other that bounty either was not allowed of, or had never been claimed; the price of grain should have risen much higher in proportion to that of other manufactures in the first than in the last.

England and Scotland furnish us with an opportunity of making the comparison. For both of these are governed so much after the same manner, and have had the general security of the subject protected so much alike, that we can hardly mention a
circumstance

circumstance of great moment that is not common to both, unless it be the influence of the corn-laws. For although the bounty has produced great effects in England, it is believed there never was a shilling paid of bounty on exported corn from Scotland *; therefore the price of corn ought to have risen much more in England since this law was enacted, than it has done in Scotland during the same period.—How does the fact stand?

It is allowed on all hands, that the average money-price of corn has fallen considerably in those counties in England from which corn may be exported, since the bounty took place.—To ascertain what was the case in this respect in Scotland, I applied for an extract of the price of meal by the fars † of Aberdeenshire, from the sheriff's books in that county, as far back as they could be obtained quite regular, which was from the year 1705 to 1775, both inclusive, as is expressed in the following table; which is

* To prevent cavils as to this article, the reader is desired to take notice, that whatever may possibly have been the case in other parts of Scotland, I am well authorised to affirm, that no bounty was ever paid for grain or meal exported from the port of Aberdeen; so that the reasoning from the following table cannot be affected by what may have happened at other places.

† For the sake of the English reader it may be necessary to inform him, that the word *fars* in Scotland means the legal average prices of grain, which are ascertained every year in each county by the sheriff; who, in the month of March, summons a certain number of country-gentlemen and farmers, and an equal number of dealers in grain, who form a sort of jury, having power to examine, upon oath, any persons they incline, with regard to the prices that have been already given for grain of the preceding crop, and the probable prices that may be expected for the remainder of the season; from all which they fix on a price as near the medium selling-price as they can; which serves as a standard for factors and curators counting with their constituents or wards.

divided

divided into periods of ten years each, with the average price of each period computed *.

* The prices here mentioned are all in Scots money : of which one pound is equal to one shilling and eight pence Sterling ; a shilling Scots equal to a penny Sterling ; and a penny Scots equal to one twelfth of a penny Sterling.— Hence the first-mentioned price, L. 3 Scots, is equal to 5 s. Sterling ; and so of the others.

A TABLE*, shewing the price of Oat-meal in Aberdeenshire, from the year 1705 to 1775, both inclusive.

Extracted from the Sheriff's book of Fiars for that county.

Price.				✱	Price.				✱	Price.				✱	Price.				✱
A.D.	L.	s.	d.		A.D.	L.	s.	d.		A.D.	L.	s.	d.		A.D.	L.	s.	d.	
1705	3	0	0	}	1725	4	16	8	}	1745	6	13	4	}	1765	8	8	0	}
1706	2	13	4		1726	4	6	8		1746	4	16	0		1766	8	0	0	
1707	3	6	8		1727	4	13	4		1747	3	16	0		1767	7	0	0	
1708	4	13	4		1728	5	13	4		1748	4	13	4		1768	5	16	0	
1709	5	0	0		1729	4	13	4		1749	4	3	4		1769	6	0	0	
1710	5	0	0		1730	4	3	4		1750	4	13	4		1770	7	10	0	
1711	3	6	8		1731	4	13	4		1751	6	13	4		1771	8	8	0	
1712	3	0	0		1732	3	6	8		1752	6	13	4		1772	8	14	0	
1713	4	0	0		1733	4	6	8		1753	5	10	0		1773	8	0	0	
1714	4	8	0		1734	4	13	4		1754	4	13	4		1774	8	14	0	
1715	3	6	8	}	1735	5	6	8	}	1755	6	6	8	}	From to				}
1716	3	6	8		1736	4	13	0		1756	8	0	0		1705	1715	3 16 9 ⁶ / ₁₀		
1717	4	3	4		1737	4	13	0		1757	7	4	0		1715	1725	4 0 4	0 3 6 ⁴ / ₁₀	
1718	4	3	4		1738	3	13	0		1758	4	6	8		1725	1735	4 10 8	0 10 4	
1719	4	6	8		1739	5	6	8		1759	3	16	0		1735	1745	4 17 3 ⁶ / ₁₀	0 6 7 ⁶ / ₁₀	
1720	3	10	0		1740	7	0	0		1760	4	0	0		1745	1755	5 4 6 ⁴ / ₁₀	0 7 2 ⁸ / ₁₀	
1721	3	10	0		1741	5	6	8		1761	4	10	0		1755	1765	5 17 4	0 12 9 ⁶ / ₁₀	
1722	5	0	0		1742	4	0	0		1762	8	0	0		1765	1775	7 13 0	1 15 8	
1723	5	10	0		1743	3	4	0		1763	5	10	0		Rise fr. 1705 to 1775				
1724	3	6	8		1744	5	10	0		1764	7	0	0		Average before 1715				
Difference																	0	0	7 ² / ₁₀

* This Table is divided into three columns: — containing, — 1. The Year; — 2. The Price of Oat-meal per boll of eight stone; — 3. The Average prices every ten years.

From this table it appears, that instead of falling, as in England, the prices have gradually risen during all that period, nearly in the same proportion with the prices of almost every other commodity in that kingdom, in consequence of the decrease of the value of money, occasioned by the increase of trade, &c. in that time.—Corn, therefore, in this country, is affected by the general decrease of the value of money, as well as every other commodity; but, in England, the nominal price of corn has at least remained stationary, while that of all other commodities has been nearly doubled; for which I apprehend it is impossible to assign any other satisfactory reason but the operation of the corn-laws.

To conclude,—It is certain, that if no over-ruling influence had prevented it, the price of grain would have risen in England, in the same proportion with that of all other commodities, in consequence of the general decrease in the value of money:—but the price of grain has not only not risen since the bounty was instituted, as has been the case with all other commodities, but has even fallen since that period: therefore it has been kept thus disproportionately low by the powerful over-ruling influence of some cause.

If this effect had been produced by the general security, as to property, that the subject now enjoys in Great Britain, the same cause would have operated still more powerfully in moderating the price of labour and manufactures.—But the price of labour and of manufactures has increased since that period;—it must therefore be attributed to some other cause.

If “the bounty had always raised the *nominal* price of grain *,”

* p. 93. *et passim*.

that article of produce must have had its nominal value augmented, not only as much, but even more than that of any other commodity, since the bounty took place. — But the *nominal* value of that commodity has decreased since that time, while that of all other commodities has increased; therefore the bounty on corn has not increased its nominal value.

If “the price of corn had absolutely regulated the price of all other commodities *,” the price of every other commodity must by consequence rise or fall, as the general average money-price of corn rises or falls in any country. But the average money-price of corn in England has been lower since the bounty took place, than it was before that period, although the price of all other commodities is now higher than formerly; therefore the price of corn does not absolutely regulate the price of labour and of all other commodities.

If “it is impossible to alter the *real* price of corn by any contrivance †,” and if “the real price of any commodity be the quantity of labour it can maintain or procure ‡;” it must follow, that the price of one determinate quantity of corn will, at all times, and in all places, be capable of purchasing an equal quantity of labour: — but as it requires a much greater quantity of money *now* to purchase the same quantity of manufactures, or of labour, than it did fifty years ago; and as the same quantity of corn cannot at this time purchase so much money as before the bounty took place; — it follows, that the *real* price of corn is much lower at present than it was at some former period; — therefore it is possible to augment or diminish the *real* value of corn, as well as of every other commodity.

* P. 101.

† P. 101.

‡ P. 286.

But if the *nominal* value of corn has decreased since the bounty was established ; and if, in consequence of that, its *real* price be not now much more than one half of what it formerly was ; and if no other probable cause can be assigned for this but the operation of the bounty, and the other corn-laws ; and if these laws explain in a satisfactory manner all the phenomena above enumerated ; we shall then be obliged to acknowledge, that instead of being “ an absurd regulation of commerce,” it is perhaps the wisest and the best political institution that has ever graced the annals of any nation.

I am happy, in the close of these very long remarks, to be able to concur entirely with this very sensible author, with regard to the very great utility of an unlimited freedom on all occasions to the internal commerce of grain. Without this assistance, the bounty can produce but a very limited and partial effect in regulating the price of grain, or benefiting the country.—Every law, therefore, which tends in the most distant manner to cramp the internal commerce of grain, as it is alike prejudicial to the interests of agriculture and manufactures, and by consequence to every individual of the state, ought to be instantly repealed.—They are badges of the ignorance of our forefathers, which we should endeavour, as soon as possible, to bury in oblivion. Whatever tends to render the internal corn-merchant secure in his person and property, and to facilitate the commerce, and easy transportation of grain from place to place, is highly beneficial, as it tends in a lesser degree to give the same stability to the internal market of the country, that the bounty necessarily would procure upon the sea-coast. The reasoning of Dr Smith on this branch of the subject is just, clear, and convincing. To it therefore I refer the curious reader for farther satisfaction : — it deserves in particular

particular the serious attention of every person who is concerned in the legislative council of the nation.

I have heard of no country that has adopted a similar plan of legislation with regard to the commerce of corn with that of England ; — nor are there many countries to which it could be so beneficial if a similar system should be adopted ; for, on account of the small dimensions of our island, few places are so far removed from the sea-coast, as not to feel in a lesser or greater degree the effects of the demand that may arise from that cause.

The great importance of the subject agitated in this postscript, together with the very high opinion that the public justly entertain of the respectable author whose opinions I have been obliged to controvert, will, I hope, plead my excuse for the very great length of this article. In disquisitions of such an important nature as the present, no man who treats of them is excusable, if he allows any opinion to pass uncontroverted, which, according to his opinion, may be erroneous ; nor is it allowable in him to use short and obscure hints, that may be only understood by men of genius and reflection, but plain arguments, that may be, if possible, within the reach of all. — This necessarily leads to tediousness. — If I have used the freedom to criticize another, I shall hope to meet with the same treatment myself where-ever I have erred. — It is of no moment to the public *who* it is that shall be right, or who is in the wrong ; but it may be of high importance to the nation, that the truth in this case should be with certainty discovered.

I shall just beg leave to add a few words with regard to the corn-laws of Scotland, before I conclude this important digression.

Of the CORN-LAWS with regard to Scotland.

SCOTLAND has hardly been as yet in any respect benefited by the British corn-laws; as these laws have never yet been properly adapted to the nature and circumstances of that part of the island.

Wheat is the principal crop in England, for which there is an extensive market in Europe at large, at all times. But from the natural barrenness of Scotland in general, oats has ever been the principal crop of that part of the island; and this kind of grain must long continue to furnish food to the lower ranks of people in it. But the great bulk, and very low price of oats, renders it a far less proper article of export than wheat; and as the sale of *that kind of grain* is confined to a very few places on the continent, there never has been a steady demand for it abroad; so that when accidental plenty comes, there is no ready vent for it. Merchants in that article would not have employment at all times, and therefore cannot be readily found when most needed; and the country experiences nearly the same inequalities in the price of grain as if no bounty had ever been granted upon exporting it from Scotland. And indeed the law with regard to this particular is so injudiciously framed, as to be incapable of producing any beneficial effects at all, as a slight review of the corn-laws of Scotland will plainly show.

By the statute 13th George III. cap. 43. it is enacted, That oats or oat-meal may be imported into *any port of Great Britain,*
when

when the price is at or above 14 s. per quarter. But by a subsequent clause of the same statute, it is expressly ordained, That it shall not be lawful to import any oats or oat-meal into Scotland, while the price of middling oats is not at or above 16 s. per Scots boll, which is nearly the same as 22 s. per quarter. By this law, therefore, although oats may be imported into England whenever the price is above 14 s. they cannot be imported into Scotland till the price is at least 22 s. per quarter. What was the reason for this extraordinary difference, it is difficult to say, unless it was intended to raise the price of grain in Scotland in scarce years, to such a rate as to create a sort of famine. And I have already had occasion to show, p. 303. that this regulation must necessarily tend to hurt the interest of the farmer and country-gentleman, whom it seems to have been intended to serve.

By the same statute it is declared, That when the price of middling oats is at 14 s. per quarter, or under, it shall be lawful to export oats; and that a bounty of 2 s. shall be granted for every quarter of oats, and of 2 s. and 6 d. for every quarter of oat-meal, then exported, reckoning 276 lb. Troas a quarter of oat-meal; that is to say, when middling oats sell for 10 s. 4 d. per Scots boll, or under, in Scotland, a bounty of about 1 s. 4 d. per boll, shall be allowed on exporting oats or oat-meal, reckoning eight stone Amsterdam a boll, and nothing more. This bounty cannot tend to relieve the farmer, as the price at which it may be claimed is too low, and as the bounty itself is too inconsiderable to produce any sensible effect; nor has it ever, that I know of, been claimed in any one instance.

By these absurd regulations, a provision is made to prevent the possibility of moderating the price of grain in Scotland in years
of

of scarcity, and no effectual provision is made for opening a foreign market, and keeping the price reasonably high, in years of plenty; which must subject the inhabitants to all the grievous inconveniencies that arise from great and sudden fluctuations in the price of this necessary article of life. Far better would it have been to have allowed Scotland to remain on the same footing with England, as to the commerce of oats, than to have added the destructive clause against the importation of oats to that country: for although the bounty is too inconsiderable to give any assistance to the farmer, the other inhabitants would at least have been able to get bread-corn on some occasions cheaper than at present, and the farmer would have been in less danger of being ruined by offering immoderate rents, in hopes of obtaining always the high monopoly-price for grain.

I am far, however, from wishing to see the regulations in England with respect to the commerce of oats implicitly adopted in Scotland, as this would at best be only exchanging one imperfect regulation for another that is worse. Oats, it ought always to be remembered, is the principal crop in Scotland. It is far otherwise in England; and therefore that kind of corn requires less to be attended to by the legislature there than here. The nature of different countries too with regard to fertility, situation, &c. will often make a particular regulation as to the commerce of grain, extremely prudent for the one, that would be very improper for the other; and therefore the circumstances of each ought to be peculiarly attended to in forming laws for regulating this kind of commerce.

I have frequently had occasion to observe, that the great use of a bounty is to regulate the price of grain, and to keep it as moderate,

derate, and as steady, as the nature of things will admit of. To do this effectually, there are two principal objects that ought to be chiefly attended to. The first of these is, to ascertain as nearly as possible the *intrinsic* value of each particular kind of corn in the country where the regulation is intended to be made; and the second is, to ascertain the price at which the same kinds of grain can in general be sold for in any foreign market to which it may be carried, together with the expence of transporting it thither. It should be the first of these circumstances that ought to regulate the price at which importation may with propriety be admitted, and a bounty on exportation commence. It is the second that ought to regulate the amount of that bounty.

Corn cannot be reared without a certain expence of labour, nor can it be brought to market unless the cultivator receives a price sufficient to indemnify him for that expence. It is the wages of this labour necessary for producing grain that I call its *intrinsic* value.

In a country that possesses a very fertile soil, it is evident, that the same quantity of grain may be reared, and brought to market, at a much smaller expence than in one that is more barren. The intrinsic value of the corn, therefore, must be higher in the last country than in the first; and, by consequence, the average price of corn may, with safety, be much lower in proportion to other commodities in the fertile than in the barren country. If the legislature, by any regulation of commerce or police, should contrive to bring the average price of corn in a barren country lower than this real intrinsic value, the farmer would be obliged to desert that employment, the grounds would remain uncultivated, and the inhabitants would be obliged to depend on foreign nations

tions alone for their subsistence. But as it is universally acknowledged, that the most essential riches of any country consist in the produce of the soil, any regulation that tended to diminish that produce, would be destructive; it ought, therefore, to be the study of the legislature, to encourage the cultivation of the fields, so as to make the produce, if possible, sustain all its inhabitants.

In every country there are various soils, which are endued with different degrees of fertility; and hence it must happen, that the farmer who cultivates the most fertile of these, can afford to bring his corn to market at a much lower price than others who cultivate poorer fields. But if the corn that grows on these fertile spots is not sufficient fully to supply the market alone, the price will naturally be raised in that market to such a height, as to indemnify others for the expence of cultivating poorer soils. The farmer, however, who cultivates the rich spots, will be able to sell his corn at the same rate in the market with those who occupy poorer fields; he will, therefore, receive much more than the *intrinsic* value for the corn he rears. Many persons will, therefore, be desirous of obtaining possession of these fertile fields, and will be content to give a certain premium for an exclusive privilege to cultivate them; which will be greater or smaller according to the more or less fertility of the soil. It is this premium which constitutes what we now call *rent*; a medium by means of which the expence of cultivating soils of very different degrees of fertility may be reduced to a perfect equality.

In countries, therefore, of moderate fertility, it is prudent to fix the average price of grain at a rate high enough to enable the farmer to cultivate so much of those unfertile fields as will be sufficient

sufficient to furnish grain to supply the whole inhabitants with food in the scarcest years, that thus they may never be in danger of wanting this essential necessary of life.

But if they rear so much grain as will sustain the whole inhabitants *in years of scarcity*, there will be much more than enough for them *in years of plenty*. A market, therefore, must be provided for this surplus produce, to prevent the unreasonable degradation of price on these occasions.

If the country in question be more fertile than those around it, the average price in these surrounding nations will be so much higher than the intrinsic value of the grain in the home market, as will require no other encouragement than barely to allow of exportation, perhaps at all times, or whenever it falls so low as to be near the intrinsic value of the corn. This is the case with Egypt, Sicily, and Poland; in which countries grain can be reared at such a low price, as to admit of being transported to other countries at all times without any bounty.

But if the average prices in the surrounding nations should be nearly equal with the intrinsic value at home, it would be necessary to grant a small bounty on exportation when the prices fell too low, so as to pay the whole expence of freight, &c. in transporting it to foreign markets. This is in some measure the case with England in respect of wheat at present.

But if the average price of grain in the neighbouring states should, in years of moderate abundance, be as low, or lower than the intrinsic worth of grain at home, the bounty ought to be so high as to repay, not only the price of freight, but also the

difference between the price of grain in that foreign market, and its intrinsic value at home ; otherwise it cannot be exported without loss ; and by consequence the trade could not be continued. This seems to be the case with Scotland ; as there is some reason to suspect, that the average price of oats and oat-meal is as low in most of the surrounding nations, as it can be afforded for in Scotland ; and in some countries it is certainly lower.—It would, therefore, seem probable, that the bounty on the exportation of oats from Scotland would require to be rather higher in proportion to its value, than of the wheat in England.

I am not sufficiently acquainted with the nature of the countries that might become the purchasers of our superfluous grain, to be able to say precisely what the amount of that bounty ought to be ; nor am I possessed of enough of facts to be able to fix with absolute certainty the rate at which that bounty should be granted. I therefore have explained the general principles upon which these regulations ought to be founded ; and offer the following table, not as being absolutely right, but as an approximation towards it, which would be at least much more perfect than the present system of corn-laws ; and which, if it should be found defective in any respect, might easily be altered, so as to be productive of the most beneficial effects to the country at large ; and by consequence to the gentlemen of landed property and farmers, although it has not the appearance of so directly benefiting them as the last regulation with regard to the commerce of grain seems to have.

A table, shewing the rates at which oats or oat-meal might be permitted to be exported from, or imported into Scotland, with the bounty on exportation, or premium on importation, at all different prices.

Oats per boll, Scots measure, or oat-meal, at eight stone per boll, including all oats so far manufactured as to be deprived of their husks, when at	should receive of bounty on exportation,
s.	s. d.
8 or under, - - - - -	3 0
9 - - - - -	2 6
10 - - - - -	2 0
11 - - - - -	1 6
12 - - - - -	1 0
13 - - - - -	0 6
14 Exportation to cease, and importation be permitted.	
15 A premium to be granted of 0 6 on importation.	
16 ditto, - - - - -	1 0
17 ditto, - - - - -	2 0
18 and all above, - - - - -	3 0

In the above table, I have adhered to the Scots boll in preference to any other measure, not only because it is better known in Scotland than any other, but also because of its coincidence with a boll of meal of the legal standard in Scotland; as it is well

known that a Scots boll of good oats will in general yield a boll of meal, or very nearly so. This allows for the same bounty to apply for a boll of meal or a boll of oats.

I have likewise supposed it would be equally expedient to grant a bounty on the exportation, and premium on the importation, of oat-meal, as of oats in grain; because, as it can be transported in that state to a distant market about 200 per cent. (including freight and insurance) cheaper than oats, it would be a great favour to the nation to be permitted to transport it in this state, whenever circumstances would admit of it. It would, moreover, tend to promote our own manufactures in some degree, by milling our own oats intended for exportation; and it would farther afford a sort of temptation to the farmer to rear better grain, than he would do were the oats to be exported in substance.

The only objection of weight that I can perceive against this plan for regulating the corn-trade, is the difficulty of ascertaining the prices on all occasions, so as to fix the rate of the bounty to be granted, without disputes or ambiguity. And as the British legislature seem as yet to have discovered no proper method for ascertaining the prices of grain with a view to the bounty; and as the law, as it stands at present, with regard to this particular, is liable to very great abuse; I shall endeavour to point out a plan by which these abuses might, in some degree, be obviated for the future.

Before the year 1774, the general court of quarter-sessions in England were empowered to judge of the prices of grain, and to declare when the prices were at such a rate, as by law to admit of importation,

importation, or a bounty on exportation. And, in Scotland, the same trust was reposed in the Lords of Council and Session.

But as this mode of ascertaining the prices in Scotland was found to be attended with many inconveniencies, by 13th G. III. cap. 43. it was enacted, That, for the future, the sheriff of each maritime county in Scotland, or his substitute, should enquire into, and determine, the common middling prices of British corn and oat-meal; and upon receiving the oaths of two or more persons, fix and ascertain the same by proper acts or determinations, to be subscribed by them respectively; which prices so ascertained should be accounted the legal prices in their respective stewartries or sheriffdoms, for three months; when the prices were to be again ascertained in the same manner.

A very little reflection, however, will be sufficient to discover that this plan of ascertaining the prices, is liable to still greater abuses than that which formerly took place; and that the artful corn-merchant, so long as this regulation subsists, may carry on his trade in what manner he pleases, even in direct opposition to the spirit and intention of the law; at least if he is favoured by the sheriff, or his substitute.

For, if the prices abroad should at any time be very high, although the prices at home should be such as not to allow of a bounty on exportation, or even not to allow of exportation at all, the corn-merchant, by carrying a small quantity of grain to the market, and selling it at a low rate, has it in his power to produce two or more witnesses, to swear, that they bought grain at such a price in the public market; in consequence of which the sheriff or his substitute may legally fix the price for three months at that
port

port so low as to entitle the exporter to the bounty, although the *real* selling-price at home should be considerably higher.

The same device might also be practised for getting the ports opened for importing foreign corn, when the real price in the home market was below that at which it may be permitted by law. It is besides liable to other frauds and abuses, which it is unnecessary here to enumerate.

Whether it was with a view to obviate these inconveniencies, or to answer some other secret purposes, I shall not now enquire; but in the very next session of parliament, the law, with regard to this particular, was entirely changed; it being ordained, 14th G. III. cap. 64. That, both in England and Scotland, “the prices
“of corn, and grain, and oat-meal, exported from this kingdom,
“shall be regulated and governed by the average prices at which
“such corn, and grain, and oat-meal, shall all be respectively
“sold in the public market, at, or nearest to the port or place
“from whence such corn, or grain, or oat-meal, shall be intended
“to be exported, on the last market-day preceding the shipping
“of such corn or grain, and the respective bounties granted,
“—be paid and allowed according to such prices.”

But if the former law with regard to Scotland was bad, this is still worse; as it is equally liable to abuse as the other, and is besides attended with the peculiar inconvenience of leaving the prices continually unfixed, and thus proving a perpetual source of uncertainty, and endless disputes.

For if a merchant shall have provided a large quantity of corn for exportation, and finds that the real selling-price in the market

market is so high as not to admit of the bounty ; by exposing a large quantity of grain unexpectedly at the nearest market-town, and selling it at a low price, he will immediately occasion the price for that market-day to be reduced so low as to entitle him to the bounty, in consequence of which he may immediately ship his grain, and claim the bounty before the next market-day. Nor could the bounty in this case, according to our present law, be refused him.

These inconveniencies seem to have been so much foreseen in Scotland, that the sheriffs in the several maritime counties have never, that I know of, paid any attention to this amendment, as it is called, of the law, but continue to fix the prices once a-quarter, as if they had still authority by law to do so.

Such is the ridiculous state of the law in Scotland at present with regard to this most essential article of commerce.

It seems to me, that these inconveniencies might be best obviated, and the prices of grain ascertained with as great a degree of accuracy as the nature of the thing will admit of, in the following manner.

Let the sheriff of each county on the sea-coast, or his substitute, be authorized and required to summon a jury of six respectable inhabitants, consisting of three country-gentlemen, or farmers, or other dealers in grain ; and three bakers or brewers, or respectable householders, in town ; who should meet with him on the first Monday of each of the months of January, March, May, July, September, and November, each year.—Let this jury, the sheriff, or his substitute, always being *preses*, be empowered to examine

examine witnesses upon oath as to the real price of grain, and make use of such other aids as they shall find necessary; and, after due deliberation had, fix and ascertain the real price of grain in that place at the time, by a proper act or determination subscribed by them respectively; which price, being properly notified to the collector of the customs in that district, and duly published to all concerned, shall be accounted the legal price in that district for two months; at which time they should, in the same manner, be anew ascertained by another jury.

It is nearly in this manner that the *fiars* are annually ascertained in the several counties of Scotland at present; and it has been found by experience, that it is as little liable to abuse, as any method that can be devised. Whether it would be best for the sheriff to summon all the members for the six juries that should meet for this purpose in a year, at the beginning of that year, appointing at that time the particular month that each juror respectively was to attend; — or whether it would be best to nominate and summon the new jury immediately after the last jury had made their decision, — is perhaps of little consequence: but it would be very proper that they should be summoned at least forty or fifty days before the time of meeting, that each of them might have time to attend to the market-prices of grain, and make such enquiries with regard to it, as might enable him to give a proper decision.

By pursuing such a plan steadily for some years, it is not to be doubted, but that Scotland might have the price of grain kept much more steady than it ever has been, and also lower upon an average of years; which would encourage agriculture and manu-
factures

factures more effectually than any other contrivance that has ever yet been, or perhaps could be adopted.

I have hitherto spoken only of the encouragement that may be given to agriculture, and the beneficial consequences that may result to the community, by encouraging the exportation of grain in substance; but as exportation of grain can only take place near the sea-coast, and as the transporting it in that state is always attended with considerable expence and risk, it would on many occasions be much more beneficial to a country to promote the exportation of grain after it is manufactured, than in its rude state.

The nature of the manufactures that would require to be encouraged with this view, must vary according to the nature of the country. In a nation that possessed a very fertile soil, and enjoyed a serene climate, wheat may be manufactured into starch. In some cases ale, or malt-liquors of other denominations, may be exported as an article of commerce; and on some occasions it may be more convenient to export it in the state of distilled spirits.

This last is perhaps the only manufacture of corn that could be carried on with profit in Scotland; and, under proper regulations, might, in all probability, be attended with effects highly beneficial. It is not perhaps beneficial to the country itself to reduce the price of corn-spirits too low in Britain, and therefore it may be prudent to continue the revenue-laws at present in force with regard to distillers: but no harm could result to us from reducing the price, as to other nations, as low as possible. If therefore a drawback equal to the whole amount of the excise-duty were allowed upon the exportation of home-made spirits, when grain was selling in the home market at the low prices at which the bounty is just now

allowed, our grain, instead of being exported in substance, might find its way into foreign countries at a much less expence in the state of spirits; and if the drawback were discontinued when the price of malt rose to the same rate at which the bounty is discontinued, it would perhaps be attended with still more beneficial effects to the nation, and be less heavy upon the revenue than the bounty on malt at present.

Something of this kind was attempted during the administration of Mr Pitt towards the end of the last war, but with that destructive unsteadiness of counsels which so eminently distinguished the administration of this popular leader, in every thing that regarded the internal prosperity of the state. It was hardly well enacted before it was again repealed; and the idea has never, that I know of, been adopted by any of his successors*.

* Of all the curses that can come upon a nation that is governed by law, nothing can be so destructive as fluctuating counsels in its governors, as these perpetually changing laws sport with the property of individuals in the most shameful manner. In the year 1757, on account of the high price of grain, Mr Pitt at once passed a law prohibiting distillation entirely, by which many thousands of industrious subjects who carried on this manufacture, were thrown entirely out of employment. But as this was judged expedient for the good of the other subjects of the state, it was complied with without murmuring. In a few years after that, when the price of grain had again fallen to its ordinary rate, distillation was again allowed of, and very great favours were granted to those who should distill for exportation, if the stills were made of an enormous size for that purpose.— When this law had been in force one year, and many persons had procured legal stills at a vast expence; without any regard to the hardships that they must be subjected to, and without any apparent reason for it, this law was instantly repealed, so that their labour went for nothing; and several other laws succeeded, varying from one another in several respects, without any apparent cause; which were successively obtained by the influence of ministerial favourites, to serve their own ends, without regard to the loss that the public thus sustained, or the cruel hardships to which it subjected many industrious subjects of the state.